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**FINAL DRAFT REPORT
STRATEGIC OBJECTIVE THREE (SO3)
ACTIVITIES DESIGN**

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(USAID/RCSA)**

STRATEGIC OBJECTIVE 3

A component of:

Accelerated Regional Adoption of
Sustainable Ag/NRM Approaches

**1997-2003
Strategic Plan**

**Regional Integration
Through
Partnership and Participation**

Final Drafts Submitted:

- 1. RESULTS PACKAGES PAPER**
- 2. SO3 TEAM MANAGEMENT CONTRACT**
- 3. CONCEPT PAPERS FOR POSSIBLE SO3 ACTIVITIES**

ACRONYMS AND TERMS

ADS: Additional Automated Directive System
AFR/SD: African Bureau/Sustainable Development Office
AG/NR: Agricultural and Natural Resources
AGRIDEC: Agricultural Development Consultants, Inc.
ART: African Resource Trust
ATT: Agricultural Technology Transfer
CAP: Customer Service Plan
CBO: Community Based Organization
CBNRM: Community Based Natural Resource Management
CIDA: Canadian Institutional Development Agency
COP: Chief of Party
CRP: CBNRM Results Package
DANIDA: Danish International Development Agency
DT: Design Team
EU: European Union
FAO: Food and Agriculture Organization
FEWS: Food Early Warning Systems
FSO: Form Service Organization
GDP: Gross Domestic Product
GEF: Global Environmental Facility
G/EG/AGR: Global Bureau, Environment and Agriculture
G/ENV/NR: Global Resources, Environmental Natural Resources Office
GTZ: German International Technical Assistance Agency
IARC: Institutional Agricultural Research Institute
ICRISAT: International Center for Research in the Semi-Arid Tropics
IITA: Institution for International Technical Assistance
IR: Intermediate Results
IUCN: International Union of the Conservation of Nature
JICA: Japanese International Cooperating Agency
NDP: Netherlands Development Program
NGO: Non-Governmental Organization
NORAD: Norwegian Agency for International Development
NRE: Natural resource Base
NRM: Natural resource Management
PAN: Policy Analysis Network
PDN: Policy Dialogue Network
PMC: Production, Marketing, Consumption (System)
PMEP: Performance Monitoring and Evaluation Plan

PY: Person Years
RCSA: Regional Center for Southern Africa
RNRD: Rural Natural resource Development
RP: Results Package
SO: Strategic Objective
SO3: Strategic Objective Three
SO3T: SO3 Management Team
SOAG: Strategic Objective Agreement
SADC: Southern Africa Development Community
SARRNET: Southern Africa Root Crops Research Network
SPO: Special Purpose Objective
SMIP: Sorghum-Millet Investigation Project
TCN/PSC: Natural Resource Officer
UNCED: United Nations Conference on Environment and Development
UNEP: United Nations Environment Program
USPVO: United States Private Voluntary Organization
WRI: World Conservation Union
WWF: World Wildlife Federation

EXECUTIVE SUMMARY

From June 28th to August 11th, 1998, the AGRIDEC Strategic (SO3) Design Team (DT) prepared for and provided assistance and council to the USAID Regional Center for the Southern Africa (USAID/RCSA) SO3 Management Team (SO3T) to develop the following specified SO3 program design elements:

1. Vision Statement
2. Results Framework
3. Customer Service Plan
4. Monitoring and Evaluation Plan
5. Results Packages for Intermediate Results (IR) 3.1 and (IR) 3.2
6. Delegation of Authority for SO3T
7. USAID/RCSA-SO3T Management Contract
8. Strategic Objective Agreement (SOAG) Amplified Description of SO3 Program
9. Concept Papers for Suggested SO3 Activities (3-6)

The DT met with backstop personnel in USAIDW, reviewed relevant materials and documents in USAIDW/RCSA, participated in a two-day retreat with the SO3T and held numerous meetings and consultations with SO3T members and other USAID/RCSA staff. Various drafts of documents were prepared by the DT throughout the consultation period and were reviewed by SO3T and other USAID/RCSA staff. These final draft documents were prepared that incorporated the SO3 program design elements listed above. Each is summarized below.

1. **SO3 RESULTS PACKAGES PAPERS:** This document presents the background and regional setting for the SO3 program and the intermediate results (IRs). It also presents the development hypothesis upon which the program and the IRs are based, including categorizations of ultimate customers, intermediate customers and probable partners, supporting premises, postulated responses, conditions for success and major assumptions upon which accomplishments of the IRs depend. These constitutes a narrative results framework for SO3. The results framework is presented in graphic form as objective trees in Annex B. Additionally, the document provides a description of the regional approach used for implementation, the vision and rationale for the IRs, and the elements that define the result packages (RPs), which leads to an explanation of the selection process for two RPs.

The selection process concluded that since that the RPs are first and foremost around agriculture for IR 3.1, and packaged around natural resources for 3.2,i.e., Sustainable Smallholder Agriculture, Sustainable Growth Biodiversity Conservation from Natural Resources Management respectively.

Additionally, one cross-cutting activity will be managed by the SO3T to facilitate managerial decisions that affect both RPs,i.e., the Facilitating Conductive Policies activity.

Finally, this document provides separate descriptions of IR 3.1 and 3.2 These descriptions include the rationale guiding selection of activities, linkages between USAID, partners and customers, as well as other necessary elements of the RPs, such as specification of management teams, their responsibilities and authorities, resources planned, and performance monitoring and evaluation details, including illustrative benchmarks and performance targets.

2. SO3 TEAM MANAGEMENT CONTRACT: Proposed contract between SO3T and Senior management of USAID/RCSA, this document commits the SO3 to accomplishments of the specified program. It incorporates the SO3 vision statement (called mission statement by SO3T), on-going activities, resources to be made available, management, arrangements and personnel, including delegations of authority (Annex B), the performance monitoring and evaluation plan (Annex C) and the customer service plan (Annex D). Additionally an amplified description of the SO3 program is included as Annex A. This Annex serves as the amplified description of the proposed Strategic Objective Agreement (SOAG).

3. CONCEPT PAPERS FOR POSSIBLE SO3 ACTIVITIES: Five concepts papers for possible new activities under SO3 were prepared. Two of these come under IR 3.1 for sustainable smallholder agriculture, two come under IR 3.2 for sustainable natural resources management, and one activity, facilitating conducive policies in the cross-cutting activity mentioned above, as a means of enabling economic growth.

The two agriculture-related activities proposed are:

- Private Sector Rural Economic Growth Support Systems: Agricultural Technology Transfer
- Private Sector Market Driven Smallholder Agricultural Development

The two natural resources-related activities are:

- Southern Africa Community Based Natural Resources Management (CBNRM) Network
- Southern Africa Environmental Education

One Cross-Cutting Activity:

- Private Sector Market-Driven Smallholder Agricultural Development

STRATEGIC OBJECTIVE

Accelerated Regional Adoption of
Sustainable Ag/NRM Approaches

DRAFT

1. RESULTS PACKAGES PAPERS

1. RESULT PACKAGE PAPER

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- ANNEX B. MONITORING AND EVALUATION PLAN
- ANNEX C. OBJECTIVE TREES FOR INTERMEDIATE RESULTS
AND RESULT PACKAGES

FINAL DRAFT

1. RESULTS PACKAGES PAPER

Setting, Rationale and Selection Criteria

I. BACKGROUND AND REGIONAL SETTING

The Southern Africa Development Community (SADC) is comprised of fourteen countries¹ embracing a contiguous region comparable in size to the United States with a total population of approximately 150 million. Two-thirds of this population is rural and directly dependent on the surrounding natural resource base for primary subsistence and livelihood. Annex. A presents the population of South Africa countries for 1992

A. The Region as a Rural Development Unit

Sharp contrasts exist in the characteristics of individual SADC member countries. Yet, they also share many commonalities upon which to build a mutually reinforcing economic growth and development process. Major differences include geographic and economic size, population levels (hence demand potentials) and stages of development.²

Of even greater importance for a regional context and approach to accelerated economic

¹

The fourteen SADC are: Angola, Botswana, Democratic Republic of the Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, The Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe. The Democratic Republic of the Congo and The Seychelles are recent members of the SADC. Thus, the discussion in this document does not include data for those countries.

In this document, rural natural resource base (NRB) refers to land and water used for agricultural and livestock production, as other land and water and the natural occurring flora and fauna thereon.

²

Available economic, socio-demographic and structural data for the region often is not reliable and generally is out-dated. Nevertheless, it is apparent that South Africa's population and economic size dominate the region with approximately one-third the population (some 40-45 million), and, with GDP at more than \$100 billion (1992), the economy is nearly three times the size of the rest of the SADC countries combined. Only Tanzania approaches South Africa in population at about 34 million, but with a GDP of perhaps 10% of that of South Africa. Population levels for the other SADC member countries range from about one million for Swaziland to approximately 18 million for Mozambique. Five countries have a population under two million each, while seven countries have a population over 10 million each. Percentages of populations that are rural range from a low of 50% for South Africa to a high of 85% for Malawi, with an average of approximately 65%. Per capita GDP's (1992 data adjusted to purchasing power parity) also are quite disparate, with South Africa, Botswana, Namibia and Mauritius ranging from \$3,800 to \$11,700, Swaziland, Zambia and Zimbabwe ranging from \$1,200 to about \$2,000, and the remaining countries ranging from \$1,060 for Lesotho to a low of only \$380 for Mozambique.

growth are similarities in the structure and conditions of underdevelopment, common obstacles to addressing such conditions, and complementary opportunities for their solution. These commonalities are especially evident in the structural weaknesses and limiting conditions evident in the rural economies of all SADC member countries.

Two major limiting conditions for rural development in all countries of the region are: 1) the magnitude, pervasiveness and continuing exacerbation of poverty among rural families dependent on primary production from the natural resource base (NRB) for their livelihood,³ and, 2) widespread mismanagement and poor utilization of the immense and diverse NRB, especially for renewable resources.

Widespread rural poverty of the region and within each country severely dampens aggregate economic growth. The rural poor are marginalized from both the supply and demand sides of national and regional markets. Yet, in terms of development potential, this large untapped internal consumer market represents a tremendous potential demand pool for both rural and urban output. This pool of rural poor is three to five times larger than the urban consumer pool.

The large rural population, combined with the poorly utilized and mismanaged diverse and widely distributed NRB of the region provides the two basic factors of production (land and labor) required for rapid and sustained rural income increases and ensuing rural demand growth.

Resulting increased demand by rural populations has a high multiplier effect in the aggregate economy. Rural economic growth has been well-documented as the major engine of growth for most developed economies of the world.

The magnitude and distribution of natural resource endowments in the region, relative to population levels and distribution, is conducive to accelerated rural economic growth. Many developing regions of the world are not so fortunate.

The diversity of the NRB provides excellent potentials for dynamic intra-regional trade growth from diversification, and excellent potential for various types of tourism offer considerable opportunities for diversifying foreign exchange earnings. Diversification of foreign exchange sources contributes to economic stability, while also serving as an important stimulus for rapid and balanced aggregate growth.

B. Magnitudes of Rural Development Challenges and Opportunities

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For nine of the ten countries for which estimates are available, the percentage of total population living in absolute poverty ranges from 40% to 82%. 85% of the rural population of the region live in absolute poverty (ranging from 73% in Zambia and 95% in Malawi). An estimated two-thirds to 80% of the total labor force in the region is employed in agriculture.

The chief agricultural regions of Southern Africa are characterized by low-input subsistence agriculture, rapid population increases, and accelerating depletion of the rural resource base (e.g., agricultural soils, forests, commons). Efforts by growing rural populations to subsist on a finite land base results in depletion of soil nutrients and organic matter as traditional fallow periods diminish. The environment is being mined to preserve short-term subsistence, and this is occurring in an accelerating downward spiral. To illustrate, agricultural productivity has fallen an average of 3% per year since the 1970s.

Over the next 25 years, population of the region will increase from 150 million to 270 million. Additionally, urbanization rates are nearly double the overall population growth rate. Total urban populations likely will quadruple in the next generation. Rural populations will continue to increase in absolute terms but at a decreasing rate. These rapid demographic changes greatly increase pressures on rural production systems, making them unsustainable.

To avoid accelerating increases in already high food import dependence resulting from projected growth in region-wide market demand for agricultural goods, rural land use must intensify through adoption of improved sustainable technologies and practices, especially investment in improved seed and other external inputs. Returns to farmers sufficient to pay for these investments requires adequate linkages to input, output and credit markets. Yet, most farmers of the region still are subsistence producers, market linkages are quite weak and inefficient as reflected in high transaction costs.

In sum, unprecedented growth in regional demand for marketed food and other agricultural products provides a rapidly growing potential market for rural products. If effectively exploited, this cash market can provide rural incomes necessary to make appropriate agricultural investments that increase productivity and incomes on a sustainable basis, thereby spurring positive rural economic transformation.

Data and information on agriculture, natural resources, human resources and other rural development factors across the region often are sketchy, unreliable or both. There is considerable variation in quality, timeliness and thoroughness which they have access. On a region-wide basis, best estimates suggest that less than one-fourth of cultivated land is in smallholdings. Most of this land is occupied under customary tenure arrangements.

Although for the region as a whole, rural populations constitute about two-thirds of the total population, only three countries show rural populations below 70%. Even in these countries, half or more of the population is rural: South Africa at 50%, Zambia at 58%, and Mauritius at 59%. In South Africa, commercial agriculture employs approximately half of the economically active rural population. It is likely that most RNRD families in South Africa have at least one family member who is a part or full-time wage laborer. In other SADC countries the share of economically active rural population employed in large commercial agriculture is much lower, probably no more than 10% in most countries.

In nearly all SADC countries, large private and/or state-owned commercial farms occupy the

more productive lower risk arable lands. Additionally, significant amounts of unutilized and/or underutilized arable land is controlled by these large farms. Although the Gini coefficient for arable land distribution varies significantly among countries, all countries where estimates are available show a highly skewed pattern (generally below .30-.40).

Rural infrastructure development also generally is concentrated in areas occupied by large farms, thereby facilitating their input and output market linkages to the larger economy.

Although a major part of the arable land area of Southern Africa is semi-arid, there also are large sub-tropical areas in the southeast and northwest. Estimates of the percentage of total land area in the region classified as arable varies from 5.5% to as much as one-third. Apparently the larger estimate is based on potentially cultivable land with appropriate improvement investments (e.g., irrigation, flood control, terraces, other water management practices, etc.). An estimated 50% of semi-arid arable land is classed as marginal for commercial rainfed agriculture, because of unreliable rainfall distribution during the crop year and frequent droughts.

C. Smallholder Agriculture in Southern Africa

Smallholders often are located on the least productive arable lands and grazing areas. Most smallholder farms range from <1 hectare up to 20 hectares of cropland in nominal size. When weighted for productive capacity equivalent to one hectare of moderately fertile land with adequate rainfall, average cropland equivalent per smallholder likely ranges from <1-6 hectares.

The potential for shifting from a subsistence to a market orientation varies markedly among smallholders in a given area. An estimated 10% of smallholders already consistently produce each year sufficient crops to market surpluses of varying amounts beyond family subsistence needs. These farmers already have incorporated considerable market orientation into their production decisions.

Perhaps another 10-20% of the universe of smallholders market surplus production in "normal" crop years (e.g., two to four years in five). Many of this segment of smallholders have potential in the short-medium term to incorporate a market orientation into their production decisions. Few of the remaining smallholders will become market oriented in the medium term. Strong risk-avoidance attitudes deter them from changing their traditional production systems. Nevertheless, as they observe changes by better farmers, they may adapt some low-cost improved practices that result in marginal increases in subsistence production.

As access to market outlets and/or input markets occurs and/or improves (i.e., transaction costs are reduced), market-oriented smallholders will seek out and adopt production-increasing technologies and/or practices perceived to be reliable, profitable and within their investment means. These are the "early adopters". Within their means, potentially market-oriented smallholders will follow suit as they see the benefits accruing to first adopters. Most subsistence-oriented smallholders have neither the means nor the orientation to adopt cash-input technologies in the short to medium term. But their families will benefit from growing local demand for labor and secondary/tertiary services, resulting from multiplier effects of increased disposable incomes of adopting farmers.

In sum, there are an estimated 2.8-4.2 million actual and potential market-oriented smallholder families across the region who can be expected to respond to expanded opportunities to increase cash incomes through sustainable production intensification.

D. The Non-Agricultural NRB in Southern Africa

At least two-thirds of the land in Southern Africa is not apt for agricultural use. The majority of this non-agricultural land sustains natural resources that are exploited to a greater or lesser extent by rural families as a primary or secondary source of livelihood. Most of these lands are commons or owned by the public sector.

A majority of the 16.0 million rural families in the region rely on multiple sources for their livelihood. The non-agricultural resource base is a significant source for 70-90% of all rural families. This includes up to 50% of the estimated 1.0-3.0 million rural families with little or no cultivated land, with the remainder of this group relying mainly on wage labor incomes for their livelihood. Wage labor dependent families often live on or near large commercial farms or in peri-urban areas with access to these respective labor markets. Finally, a majority of subsistence-oriented smallholder families without access to wage labor opportunities rely more or less on the non-agricultural resource base to supplement agricultural subsistence.

Non-agricultural exploitation of the NRB traditionally consists of livestock grazing, hunting, gathering or harvesting, and sometimes processing, of natural products for consumption or sale. Even market-oriented smallholders often graze cattle on surrounding common lands (and cattle grazers who have no agricultural land often have the right to graze on crop residues after harvest).

To summarize, perhaps half of all rural families rely on the non-agricultural resource base for a significant share of their subsistence. These in turn impact to a greater or lesser extent on the quality and sustainability of the NRB.

Although degree of exploitation and productive capacity of the NRB across the region varies

immensely, the region as a whole is endowed with enormous⁴ biodiversity, and this is widely distributed.

A number of problems are associated with beneficial and sustainable management and utilization of this impressive non-agricultural natural resource base, viz:

D.1 Water Scarcity and lack of effective management of resource use

D.2 Deforestation (forest products are an important source of energy, construction and materials for crafts)

D.3 Overgrazing and excessive stocking rates are very serious problems

D.4 Excessive pressure on wildlife and natural vegetation because of competition from livestock and agriculture, and because of poor management of wildlife populations

D.5 Industrial, mining and urban pollution caused by poor waste management

D.6 Poor soil and water conservation practices in farming, resulting in erosion and poor infiltration that cause spill-over effects

D.7 Agricultural and other chemical overuse/misuse

D.8 Inappropriate types of production in terms of ecological potential

Despite these myriad problems, given application of appropriate NRB management approaches, techniques and practices, considerable opportunity exists for intensified non-agricultural income-generating uses by the rural poor. This potential remains largely untapped.

Nevertheless, a substantial body of experience and know how exists about income-producing activities based on sustainable systems and approaches for community or village-based natural resources management (CBNRM). USAID-assisted CBNRM pilot projects over the past decade have generated much of this experience and knowhow. It represents a substantial foundation for launching a regional initiative to facilitate accelerated replication of CBNRM across the region.

All community member families are potential stakeholders where CBNRM is effectively and

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To illustrate, the average number of plant species found per unit area in the south is eight times the world average, and for mammals, six times the world average.

sustainably practiced. Generally, significant benefits likely accrue to 50-100% of member families, depending on the degree to which subsistence and wellbeing are dependent on non-agricultural NRB activities relative to agricultural activities and/or outside wage labor.

Excluding communities that are primarily agricultural, peri-urban, or associated with commercial farms, rough estimates suggest that as many as 50,000-100,000 rural communities have reasonable potential to benefit significantly from CBNRM. Assuming a community adoption rate of 25%, and an average community size of 200 families, CBNRM has potential to significantly impact income and wellbeing of 1.25-5.0 million member families in 6,000-25,000 communities, while bringing their surrounding commons and publicly owned lands under sustainable management.

II. THE SO3 OBJECTIVE AND STRATEGY

The objective of SO3 is: Accelerated regional adoption of sustainable AG/NRM approaches. The strategy is to increase incomes and wellbeing of selected rural families through intensified and sustainable productive use and management of agricultural and other natural resources. The strategy seeks to achieve these goals by supporting regional level activities that lead to the objective of accelerated adoption of technological change and improved practices. These activities are designed to contribute to achieving two Intermediate Results that lead to the objective by significantly increasing rural incomes and wellbeing. These IRs are:

IR.1 - Functioning systems in place for transferring AG/NRM technologies and best practices across the region

IR.2 - An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable AG/NRM technologies/approaches.

Ultimate customer groups targeted by SO3 were identified in the previous discussion as : 1) actual and potential market-oriented smallholders (estimated at 2.8-4.2 million rural families), and, 2) communities and member families with potential to sustainably manage the surrounding natural resource base upon which they are primarily dependent for subsistence and livelihood (estimated at 1.25-5.0 million families in 6,000-25,000 rural communities).

III. RCSA SO3 DEVELOPMENT HYPOTHESIS

The development hypothesis for SO3 is:

Selected interventions from a regional platform will add value to national and local efforts to increase rural incomes accruing to SO3 ultimate customers by accelerating adoption of sustainable AG/NRM approaches, which in turn will trigger rural economic growth to serve as the engine of broad-based aggregate growth in the region.

A. Important Assumptions

Assumptions upon which the development hypothesis is based are:

A.1. A significant segment of smallholder families and other NRB-dependent families (ultimate customers) will change from resource-depleting to resource-sustaining utilization patterns if doing so significantly increases incomes and wellbeing relative to perceived associated private costs and risks.

A.2. There exists within the region a substantial body of experience and knowhow about profitable approaches⁵ to intensify production by ultimate customers, while sustainably managing the natural resource base being utilized. Likewise, there exists outside the region a substantial body of such experience and knowhow which can be imported and validated for profitable application by the ultimate customers.

A.3. Political leaders, opinion leaders and stakeholders across the region quickly will recognize the economies-of-scale and accelerated response benefits (e.g., value-added from a regional approach) to be gained and will actively participate in a region-wide approach to implementing the following development initiatives: a) identification of proven technologies and best practices from within the region, b) identification, importation and validation of appropriate technologies and best practices from outside the region, c) identification, adaptation and internalization through dialogue and adoption of region-wide enabling policies and systems that facilitate across the region backward and forward linkages of markets related to rural production, d) exchange and transfer of experiences and knowhow among intermediate stakeholders and actors in natural resource based production, marketing, processing and consumption systems across the region.

Strategic Objective 3 (SO3) is the only RCSA strategy targeted specifically to the defined segment of rural resource-dependent families as ultimate customers. SO3 is unique among all USAID development assistance programs in the region in that it is designed to encourage region-wide development by assisting to expand and facilitate access by these ultimate customers to opportunities to increase family incomes and well-being through sustainable management and utilization of the NRB.

Activities designed to achieve the SO3 objective will address from a regional platform major

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SUSTAINABLE AG/NRM is defined as sustainable agricultural and non-agricultural natural resources management for intensified income-generation. APPROACHES is defined as technologies and best practices, and associated systems for identification, validation (as necessary) and transfer.

underlying conditions of rural poverty that are common across the region: 1) low productivity of the natural resource base (i.e., poor utilization), 2) widespread unsustainable use of renewable resources (i.e., misuse and mismanagement), 3) low productivity of the rural labor supply (i.e., disguised unemployment and underemployment), and, 4) weak or nonexistent market linkages between demand/supply opportunities for the flow of goods and services to and from the rural sector (i.e., weak backward and forward market linkages). Persistence and exacerbation of these conditions engenders accelerating deterioration of the natural resource base, and stagnant or declining per capita rural output, productivity and incomes.

B. Development Premises

Four development premises provide the causal link between the SO3 development hypothesis and alleviation of the underlying conditions of rural poverty enumerated above:

B.1. Because of the considerable potential demand that is generated thereby, broad-based rural economic growth will serve as the engine for accelerated aggregate economic growth of the regional economy of Southern Africa;

B.2. Broad-based rural economic growth across the region primarily depends on natural resource-based economic activities that increase incomes and well-being of rural families on a sustainable basis;

B.3. A growing part of region-wide existing and expanding demand for natural resource-based goods and services currently is being satisfied through imports from outside the region.

B.4. Weak and/or lack of backward and forward linkages between rural and urban economies of the region severely dampens effective demand links from urban consumers to rural producers and from the latter to input supply sources. This situation increases market transaction costs to a level that rural producers of the region cannot compete with imports.

C. Postulated Responses

The SO3 development hypothesis postulates the following responses to major underlying conditions of rural poverty as enumerated above:

C.1. Improved backward and forward rural-urban linkages that reduce market transaction costs and facilitate market access by rural producers are necessary conditions for increasing rural incomes and output.

C.2. In the near term, low-cost improvements in management techniques on cultivated land (such as soil and water conservation/management, conservation tillage, crop rotation, nutrient

recycling, etc.) provide opportunities to increase factor productivity and incomes with little or no cash inputs.

These changes in management of the resource base can improve subsistence conditions, and, at the margin, some producers will generate surpluses for sale in urban markets, thereby permitting greater investment in further intensification. Similar progression can occur in management of non-agricultural resources for sustainable income growth.

C.3. In the medium and long term, continued rural income growth depends on intensified and sustainable factor use (especially of the natural resource base and labor) through adoption of profitable external input-based technologies and practices. External input-based agriculture is feasible only for market-oriented producers because cash input investments are required.

C.4. Concurrently, CBNRM approaches can augment incomes as incentives for communities and member families to adopt sustainable management systems on common and state lands brought under community stewardship.

D. Conditions for Success

Viewed from both the perspective of sustainable environmental management and of rural economic growth, the four responses indicated above are mutually reinforcing. Without sustainable agricultural intensification, neither common lands nor parks and protected areas can withstand the pressures of growing rural populations in search of subsistence land. Likewise, without improved NRM on agricultural lands, few farmers will be able to generate surpluses in the short run to gain an initial foothold in the market economy. Equally vital, without local control and management of common/publicly-owned lands and associated renewable natural resources, increased subsistence needs will come through encroachment by resource-depleting subsistence cultivation rather than through increased productivity on currently cultivated lands.

As indicated in the stated premises above, transformation of rural production and income systems can serve a decisive role in jump-starting the broader process of sustainable aggregate economic growth. It does so by: 1) providing access to affordable food in urban areas, 2) lowering food prices as rural productivity increases, through decreased unit costs of production, and, 3) stimulating significant growth in rural and urban employment generation (and labor productivity, thereby significantly increasing labor incomes) from downstream and multiplier impacts, such as agricultural processing, transportation, wholesale and retail marketing, and induced services and commercial opportunities.

The next section describes the vision and rationale applied to translate the development hypothesis, premises and postulated responses into results packages and to formulate criteria for selecting activities to be undertaken to implement the SO3 strategy.

IV. VISION AND RATIONALE FOR SO3 STRATEGY AND RESULTS

For many years, rural poverty has persisted, has been pervasive, and, with few exceptions, has been deepening throughout the SADC region. This has been and continues to be the general scenario, even for those countries that may have enjoyed substantial periods of acceptable aggregate growth.

The approved SO3 strategy provides the opportunity and the vehicle for formulating a new vision and rationale for the RCSA development strategy plan as it is being implemented through SO3. Implementation of the SO3 strategy will assist in creating conditions and engendering processes that arrest and revert unsustainable deterioration of the resource base and impoverishment of the populations of rural Southern Africa.

The vision, rationale and parameters that define the actionable elements of the SO3 strategy are delineated below. As compared to past USAID agricultural and NRM assistance program efforts in the region, significant changes are proposed, both in perceptions of how the process of broad-based improvement of rural well-being and NRM occurs, and how USAID can effectively facilitate that process, especially from a regional platform. Major principles of development assistance that will be incorporated into the design of specific SO3 activities are:

A. Enabling Conditions

Improved rural well-being depends on broad-based rural economic growth. Three sets of enabling conditions are essential to activate and sustain broad-based rural economic growth: a) participation by customers, b) a panorama of conducive policies, and, c) a structure of effective organizations at all levels of economic activity. These enabling conditions will be discussed in more detail later).

B. Development as Demand Growth

Rural economic growth is more than growth in agricultural production. Improved subsistence production is not economic growth, but rather is increased consumption without economic growth, and will not lift rural families from poverty. Additionally, although primary agriculture is important, the extent to which primary agriculture demands goods and services from other sectors and the extent to which other sectors depend on primary agriculture for both supplies and demand, become the principal growth forces as development progresses. Also, agriculture is only one of several primary rural sectors in the region. Other productive uses of the natural resource base are equally or more important, e.g., forestry, wildlife, natural products, eco and other tourism, etc.

C. Rural Economic Growth Requires Sustainable NRB Management

Rural growth and natural resources management are mutually reinforcing. Rural growth depends largely on productive use of the NRB, and for growth to be sustainable, natural resources must be responsibly managed. Rural environmental degradation throughout the region is mainly a problem of poverty.

It is axiomatic that to sustain the NRB, rural poverty must be alleviated (i.e., broad-based rural family economic growth must occur). It also is axiomatic that resource use must be intensified if rural growth is to take place. The SO3 strategy requires that intensified use of the NRB be accomplished in ways that are environmentally sound.

D. Biodiversity Conservation Requires Rural Economic Growth

If biodiversity conservation is to be achieved, it must be supported within the framework of alleviating rural poverty. Biodiversity protection in parks and reserves can only be successful if protected and surrounding areas are managed to provide for improved well-being of those who live in and around the protected areas.

E. Rural Economic Growth and Sustainable NRM are Demand Driven

Most development assistance in Southern Africa in recent years has sought to increase supply. The SO3 strategy views the development problem as one of insufficient or ineffective demand. It recognizes that the driving force for rural economic growth is demand, not supply. SO3 interventions are justified by the contribution made to creating conditions for growth in disposable incomes. This is true for interventions impacting on accelerated technology generation and transfer, as well as for interventions impacting on enabling the incentive environment.

F. The Rural Poor Can and Must Be Agents of Economic Growth

Rather than preferentially directing resources to the poorest of the poor, the SO3 strategy seeks to assist in making markets work efficiently in reaching the rural poor. The rural poor are an enormous segment of the private sector and, as such, respond to markets and market signals to which they have access. The rural poor are not disadvantaged objects of welfare. Rather, they are untapped agents of economic change and a valuable potential source of economic growth.

G. The Marketplace Must Define Growth Opportunities

The SO3 strategy seeks to inspire two critical changes in the structure of the rural economy:

G.1. To provide the rural poor (they are the primary rural economic agents) and those who are or may become supporting economic agents (by providing backward and forward linkages) with appropriate information to make profitable decisions about what and how to produce, and about what goods and services to sell, and,

G.2. To encourage governments to create an economic environment conducive to profitable

decision-making by both sets of economic agents about what and how to operate. This strategy diverges from the typical approach of pre-defining and promoting production and/or marketing of a particular crop or product. Instead, the strategy recognizes that the primary economic agent and participant is the rural producer, and that supporting economic agents are an essential component in the economic chain to and from supply and demand.

H. The Regional Focus is on Intermediate Partners/Customers

The SO3 strategy focusses on assistance to intermediate partners/customers involved first and foremost with delivery of goods and services that meet needs of ultimate customers as economic agents. This is the essence of the demand-driven approach, as opposed to the conventional supply-driven approach.

V. KEY ENABLING CONDITIONS FOR SUSTAINABLE RURAL ECONOMIC GROWTH

Three enabling conditions are at the center of the SO3 strategy. As already indicated earlier, these are: A) Participation, B) Conducive Policies, and C) Effective Organizations.

A. Participation

Participation describes both a means to and an end sought by the SO3 strategy. The end that SO3 interventions support is broad access by the rural poor to the economy of the region, as well as participation in decisions about their own destiny, through participative processes at local, national and regional levels, but especially at the local level with regard to the surrounding NRB.

In terms of means, SO3 seeks broad participation by ultimate customers in defining development priorities and approaches at the family and community levels. The strategy is to assist by assuring that appropriate information and knowhow reaches these target customers on a continuing basis and in a manner that permits them to make informed decisions.

The SO3 strategy promotes establishment and strengthening of dynamic local-level community-based NRM organizations (CBOs), and smallholder-based farm service organizations (FSOs), as primary-level vehicles for participation. The fundamental determinant of effectiveness of these local-level organizations will be whether members have a sense of ownership, e.g., do members have effective control over forms of revenue generation, services provided, and other resource-related matters.

Under SO3, actions to enable participation include networking for information exchange and support to experimentation that strengthens the capacity of intermediate partners/customers to facilitate establishment and evolution of producer organizations into effective FSO's providing profit-making services to their members.

Illustrative services include technology validation and transfer, marketing of inputs and outputs, and representational services. CBO's also need to evolve as service providers, with

emphasis on NRB inventory and assessment, management planning, selection and oversight of profit-making options, and investments in intensification of NRB utilization.

B. Conducive Policies

USAID and other donor development assistance experience highlights the need for an appropriate policy environment for achieving sustained economic growth. This is especially true for the rural sector in developing countries, because urban-based political power tends to apply consumer-oriented food price and marketing policies and to treat smallholders as recipients of government largesse rather than as potentially viable entrepreneurs. Formulation, implementation and maintenance of a conducive framework of policies for effectively linking smallholders and other RNRD families to regional and international input and output markets and services, is a major prerequisite to rural economic growth. This especially is true of a number of SADC countries, e.g., those with limited demand because of small populations, and those with limited production diversification options.

SO3 will assist actions of intermediate partners/customers to inventory and prioritize the region's policy constraints and gaps related to rural economic growth, as well as to analyze and dialogue alternatives and implementing mechanisms for alleviating major policy constraints and/or for filling policy gaps. Assistance to intermediate partners/customers for establishing viable networks for policy inventory, prioritization and analysis, and fora for policy dialogue among stakeholders and decision-makers, are among the actionable initiatives for SO3 in supporting conducive policies.

C. Effective Organizations

Locally-based organizations that serve the rural poor in accessing markets, goods and services were discussed above as vehicles for meaningful participation. Here, the focus is on how to evolve intermediate development organizations into effective tools for rural economic growth. In the context of rural growth, development organizations refer to those public and private organizations (both NGO and for-profit) that provide developmental and economic services to rural families and/or to their locally-based FSO's and CBO's.

In the past, developing country governments and donors alike have tended to support public sector organizations in providing not only traditionally public social services paid for with tax revenues, but also in providing economic services to small rural producers. These often were justified as public services because of the "welfare mentality" referred to above, i.e., that the rural poor are objects of welfare and not potentially viable economic agents of growth. Except in special circumstances, these public services have been ineffective, high-cost, and have failed. Experience in the SADC region is no exception.

The SO3 strategy recognizes that effective private sector organizations can and will provide on a self-interest basis most of the intermediate economic services required to support and

service a growing rural economy, although there also are important roles, usually support and facilitating roles, for public sector organizations, as well.

Policy analysis, formulation, dialogue, implementation and maintenance are activities where public and private sector organizations need to work together closely. Policy examples requiring close public/private collaboration include: property rights, pesticide use, pollution control, natural resource management and protection, market and trade policies, etc.

Likewise, there are public and private sector collaborative roles in market information services, sanitary inspection, technology generation and transfer, and similar services that embody a mix of economic and social services. Experience shows that the more clearly economic services, such as agri-business (e.g., input supply, credit, marketing and processing) and other market-related services, are most efficiently handled by effective private sector organizations, with the public sector exercising a facilitating role through appropriate policies. Additionally, private sector mechanisms often are effective conduits for technology transfer because adoption of profitable technologies and practices increases smallholder incomes and effective demand for goods and services, which expands market volumes upon which private sector economic activity depends.

Nevertheless, in stagnant poor rural economies, it often may be difficult to jump-start the growth process. These economies are in a cycle of poverty that is difficult to break. Both public sector initiatives and private sector NGO's can inject start-up momentum required to bridge the economic transition from stagnant equilibrium to a growth stage of development. Donor support for such start-up initiatives, especially through NGOs, can be especially effective leverage. But such assistance must be provided in a way that does not create a continuing dependency relationship with the "start-up support" organization, or between it and target customers.

Such a dependency relationship is more likely to develop when built on a "supply-driven" instead of a "demand-driven" approach. Traditionally, organizational development has focussed on the former as organizational inputs, e.g., office space, accounting systems, trained personnel, initial capital, etc. The demand-driven approach focuses on the mission of the organization and on developing a client base. In contrast, SO3 will promote attitudes of self-reliance and of a market driven client orientation.

SO3 will support development organizations through a demand-driven approach, by facilitating networking among intermediate partners/customers, and through direct support to information generation and exchange, experimentation, validation and transfer of knowledge about approaches, management and planning. Efforts will focus on defining clients, products, cost-effective organizational structures and a business-like approach. Mutually agreed plans to steadily reduce and ultimately eliminate donor funding will be developed with intermediate partners/customers for all activities.

VI. THE REGIONAL APPROACH FOR IMPLEMENTING SO3

The changes which must take place for SO3 to succeed are *local changes*, i.e., they take place on individual farms, around individual communities and in local market areas. Yet, there is a powerful regional dimension that can *support and accelerate* the local change process by adding value to national and local initiatives. The regional dimension includes: 1) the regional dynamics for policy change; 2) economies-of-scale and accelerated results in technology generation and transfer and related systems; 3) collaborative transboundary resources management, and, 4) the potential impact of regional and cross-border markets and harmonized policies to facilitate realization of the numerous local and national comparative advantages that exist because of the diversity of the NRB and of production eco-systems.

SO3 is designed specifically to address rural development problems where the regional platform and perspective demonstrates a clear comparative advantage. Thus, SO3 development assistance resources will fund activities where a region-wide approach is more cost-effective, more efficient and can achieve more rapid results than does a country-by-country focus.

Specifically, SO3 activities will focus on the following actions: 1) identify and transfer proven technologies and best practices from within the region, 2) identify, import and validate appropriate technologies and best practices from outside the region, 3) identify, adapt and internalize through analysis and dialogue enabling policies and systems that facilitate backward and forward linkages of markets across the region (input, output and information markets) related to natural resource based production, 4) exchange and transfer of experiences and knowhow among intermediate stakeholders and actors in natural resource based production, marketing, processing and consumption systems across the region.

Exchanges of experiences and knowhow among public and private sector partners, intermediate customers and intermediate stakeholders, combined with well-targeted testing and validation as needed, will be the operational mechanism for implementing SO3 activities. This pro-development networking requires "champions" to provide leadership to the process. Initially, USAID activity managers may need to serve this role, but as the dynamics of the network evolve, Southern African "champions" will emerge; if they do not, the network is not responsive to demand and/or appropriate stakeholders are not participating. As used here, the concept of networks is much more than meetings to exchange information. Networks also serve as a "marketplace" where stakeholders with compatible interests can establish and maintain contacts, where information and "intelligence" is exchanged, bartered, bought and sold, and where agreement can be reached on sharing efforts and responsibilities to seek, process and analyze information, and to mutually pursue items of shared interest.

Experience demonstrates that coordination and resource pooling for development across countries often can achieve not only significant economies-of-scale, but also accelerate the change process that leads to rural income growth and sustainable management of the natural

resource base. As already discussed, many similarities in agro-climatic and rural socio-economic conditions among SADC countries make the region an excellent candidate for achieving these benefits from sharing information on profitable and sustainable agricultural production and NRM technologies and practices.

Screening and testing of materials, practices and approaches in one or a few locations usually are applicable to similar agro-ecological zones across the region. Increased output can be traded in a larger regional market. Networking involves a much larger audience and taps greater depth in experiences and knowhow, resulting in important savings per participant, and facilitates more rapid information exchange.

In Southern Africa, commonality of constraints and inappropriate utilization of the NRB by the rural poor is the norm. Sharing knowledge and experiences about ways and means of alleviating constraints and of capitalizing on opportunities can avoid unnecessary duplication of effort and costly mistakes, and can result in considerable savings in time and costs. Trans-boundary movement of wildlife and of international tourists are but two obvious examples of shared supply and shared demand, respectively, among countries.

Additionally, more progressive countries in a region serve as a benchmark for the other countries. Likewise, harmonized policy improvements across country borders reduce the risk of unfavorable distortions "spilling over" from a neighbor, especially as compared to cases of continuation of protectionist policies by a neighbor.

VII. ELEMENTS THAT DEFINE SO3 RESULTS PACKAGES

Effective technical and operational management and decision-making, and appropriate assignment of responsibilities to management personnel, requires grouping of SO3 activities into complementary and synergistic sets of activities called results packages (Rps). This section summarizes similarities and differences in several important SO3 program variables that already have been discussed above. Similarities and differences in these variables were considered in determining preferred grouping or packaging of activities to make the most effective use of operational management and technical expertise, to optimize complementariness and synergisms among activities, and to facilitate communication for responsiveness to changes in the RP implementation environment.

A. Development Problems and Proposed Approach for Solution

The development problems being addressed by SO3 are pervasive rural poverty throughout the region, and a deteriorating natural resource base. The proposed approach for solution is to assist natural resource users to participate in rural economic growth through sustainable and more profitable utilization and management of the NRB.

A two-pronged approach is visualized for increasing rural incomes: 1) by improving net returns from sustainable agricultural activities, and, 2) by improving net returns from economic activities based on sustainable management of other natural resources.

B. Mechanisms to Reach Ultimate Customers

SO3 intends to impact on these families through facilitating activities by partners and intermediate customers to assist in establishing two different local-initiative organizational mechanisms for two distinct purposes: 1) through community based organizations (CBO's) for purposes of uniting community members to improve incomes by intensifying use through sustainable management of the NRB to which the community has or can obtain access, and, 2) through local farmer groups/organizations (FSO's) for purposes of uniting member families to improve incomes through more productive use and sustainable management of the smallholdings they occupy.

C. Intermediate Partners/Customers Involved

Intermediate partners/customers will be different for activities focussed on agricultural income improvement from family occupied arable land, and for activities focussed on improvement of incomes from sustainable management and utilization of the surrounding NRB. In the former case, intermediate partners/customers will be public and private sector stakeholders in agricultural goods and services systems that reach or potentially could reach smallholders directly or through FSO's. In the latter, they will be primarily government organizations, NGO's and private sector stakeholders (e.g., specialty and niche market stakeholders) providing products or services related to non-agricultural NRB.

D. Information and Knowhow Required

Three distinct areas of information and knowhow are required for implementing the SO3 program. One area is for potentially profitable agriculture-related information and knowhow, e.g., improved agricultural technologies and best practices, market information for agricultural crops adapted to the area, productivity-increasing soil and water conservation practices for cultivated land, establishment and operation of special purpose FSO's, etc. A second area is for potentially profitable and beneficial (to the community and member families) of NRB-related information and knowhow, e.g., natural resources inventory and management techniques, establishment and implementation of sustainable NRB management plans, establishment and operation of CBO's, specialty/niche market possibilities and conditions, micro-enterprise opportunities, tourism services and marketing, etc.

A third information and knowhow area is related to policy matters that affect the productive use and sustainable management of natural resources by ultimate customers, e.g., 1) effectiveness and efficiency of markets for rural inputs and products, 2) local control and disposition over occupied lands, and surrounding common or state lands and associated natural resources, and, 3) other policies impacting on transaction costs for rural resource based producers to link with national, regional and international markets.

E. Technical Specializations Required for Program Management

The SO3 program requires three distinct types of specializations for technical management of

activities, one in agriculture technology generation and transfer systems/approaches and associated linkage systems, another in natural resources inventory management and utilization systems/approaches and associated linkage systems, and a third for policy-related enabling initiatives. The latter cuts across both specializations.

VIII. SELECTION OF RESULTS PACKAGES

Based on the similarities and differences in program variables summarized above, it is apparent that complementariness and synergies among activities and management personnel are best served by combining activities related to agricultural systems and approaches into one technical implementation management unit/RP, and those activities related to sustainable natural resources management into a second technical implementation management unit/RP. Since the proposed policy analysis and dialogue activity spans both of the proposed RP's, the policy activity is more appropriately managed directly by the SO3 team. Since RP team leaders are members of the SO3 team, coordination of the policy activity with both RP's and between the RPs is assured. For operational management purposes, the SO3 team will name a policy activity leader (this preferably would be the SO3 team leader), to assume policy activity operational management responsibilities.

IX. RESULTS PACKAGE 3.1: SUSTAINABLE SMALLHOLDER AGRICULTURE

This Results Package is the management unit being created to bring together related activities for the development of smallholder agriculture. These activities will be managed by a results package team to accelerate the adoption of technology and best practices thus enabling smallholders of the region to increase their incomes and improve management of the natural resources upon which they depend. The principal approach will be to develop networks that will identify and communicate best practices throughout the region, support the application of new technology, identify and facilitate access to competitive markets and help link smallholders with suppliers of good and services. The underlying philosophy behind this approach is that the best way to help the 50+percent of the population that is caught in poverty by declining productivity and resources degradation of subsistence agriculture is to recognize the smallholder as the customer in need of good and services who, if given a chance, will respond to market incentives and that when significant percentages of smallholders become market oriented, they , aswill both improve management of the resources on which they depend and utilize the resources to fuel economic growth of the region.

The RP 3.1 team must possess the technical and management skills, and have the authority and resources needed to efficiently and effectively manage the activities described below. But even more important than technical and management skills, they must be the *champions of a new approach* that recognizes smallholders as economic decision makers, not just a

group to be supplied with technology. The team must identify champions in the region for such an approach who are willing and able to work regionally. These champions must facilitate cooperation, share information, make deals and develop competitive markets.

Grouping the activities under this RP should also facilitate working with SO 3 Customers and Partners. Many of the RP 3.1 Customers and partners, the Private Sector, Government, NGOs, Farmer Based Organizations(FBOs) and Farmer representatives, will be common across activities. They will share interest in the development of agriculture input and output markets, in identifying more effective ways of working with smallholders through farmer organizations, in the development of a demand driven research agenda, and in facilitating policy reforms which provide the enabling conditions for smallholders to adopt sustainable resource management technologies and move increasingly into market oriented production.

A. Intermediate Results to be Achieved

The RP 3.1 activities will contribute to both Intermediate Results 1 and 2 of SO 3:

IR 1: Function systems in place for transferring Agriculture and Natural Resources Management (NRM) technologies and best practices across the region.

IR 2: An enabling environment which promotes increased incentives for small holder and communities to adopt sustainable Agriculture and NRM technologies and approaches.

While this RP will contribute significantly to these IRs, it represents only about 40% of the total USAID/RCSA contribution to achieving them.

Changes in agriculture will be significant and measurable if this program succeeds. The accomplishment of the agriculture development activities also will impact on natural resource management. As a matter of fact, these results are inseparable, because agricultural development cannot proceed without sustainable management of the soils and water on which it depends. Natural resource management is impossible if farmers cannot achieve higher levels of productivity and increase incomes that enables them to shift from subsistence agriculture that depends on a system of nutrient mining and natural resource degradation.

Other USAID/RCSA financed contributions to these IRs will come from RP 3.2(NRM RP), and SO 3 policy analysis and dialogue activities. Initially, RP 3.1 and RP 3.2 activities will involve a separate set of partners and intermediate customers working in their own networks to provide a distinct and different set of services.

As the two Results Packages develop however, they will grow closer together and have more to share. First, the customers for the two results packages are overlapping groups of smallholders and other rural resource users. Second, the natural resources, whether used for crops or game ranching are limited and will have to be managed for their greatest sustainable

contribution to the rural regional economy. Third, the approach of linking families to the suppliers of inputs and services, traders and processors, etc through CBOs and FBOs are similar and could, in some cases be the same organizations.

The policy activities, being managed separate from each RP, will complement both RP management groups and will be linked closely to the policy activities being implemented under RCSA SO 2, *A More Integrated Regional Market*.

B. Rationale Guiding Selection of RP 3.1 Activities

How do you accelerate technology transfer and adoption by smallholder farmers? How does this lead to sustainable agriculture? What do you do regionally to support highly localized, family based production systems operating under differing national policies?

The response to these questions is to assist to put in place sustainable systems that facilitate the provision of goods and services supporting sustainable smallholder Agriculture. Such systems can be facilitated by creating networks of people who together champion smallholder agriculture development. Business and community leaders are expected to join the regional networks out of self-interest, with the expectation that they will receive value from making the networks work.

These systems must be market driven, they must recognize the smallholders' potential to contribute valuable goods and services to the market, and to treat him as a customer. If they are not market driven, experience in all parts of the world has shown that they are unlikely to be either effective or sustainable.

Changes in technology can sometimes be achieved without sustainable systems, but the results are likely to be disappointing and temporary. The distribution of new varieties of seed in Southern Africa in 1993 after the drought, quickly put technology in the hands of the farmers but it required good luck as well as bad luck, and had less than satisfactory results. The good luck was the availability of a stock of seed of tested varieties ready to release. The bad luck was that it took a disaster to bring together enough players and effort to make the one-time distribution. The less than satisfactory development result was that farmers were able to recover from the drought and got small (15 to 20%) one time yield increases. Unfortunately, with an end to free distribution, the supporting goods and services available to smallholders disappeared. Smallholder production systems are still the same basic low yielding, subsistence, nutrient mining approach to agriculture that prevailed prior to the injection of new varieties into their production system.

To put sustainable systems in place to support smallholder agriculture, the first ingredient is an understanding that smallholders can and will effectively contribute to the regions economic growth. The next ingredient is an understanding of how to identify and provide the support they require. Learning what the farmer needs and what works is very difficult unless the

system is willing to bring the smallholder into the discussion and planning. Once you get through the three universal farmer complaints: “input prices are too high, output prices are too low, and the government is no damn good,” their ideas are extremely helpful. They know their problems and what risk they willing to take and what they can contribute to solve them. They don't know the best practices, the alternative crops and markets. They don't have access to the input they need and would use, if available.

Along with farmers in the dialogue, the next groups needed are those which are going to provide the goods and services. Here, the private sector and government both have important roles. The private sector is needed to provide most of the off-farm inputs required. Wherever seed, fertilizer, credit, etc are provided on a reliable, timely basis; the private sector does it. With adequate competition, they also do it at the lowest sustainable cost. It is also the private sector that provides the growth market for agriculture. They process the feed for livestock, starch from cassava, beer from sorghum, etc. The private sector can also provide the market for non-traditional crops that offer the smallholder an opportunity for higher income and increased security from a more diversified product base.

Governments must concentrate on doing better at creating the environment and providing services available only in the public domain. Research based new technology is being developed by both national and international public research institutions.

Policies controlling land use and regulating markets and trade, are decided in Government fora. Policies, rules & regulations, and public information, all influence smallholder access to needed goods and services, and the rate at which this sector grows.

The fourth group that can be expected to play a significant role in such systems are local organizations. These organizations can be characterized as being made up of people within the system who want to participate and benefit from the system, and who have decided that the best way for them to do that is by organizing themselves. Farmer organizations are almost always critical players in these systems.

Additionally, private sector members organize themselves either as groups of individuals or firms into such things as seed industry associations, the grain millers, agricultural professionals/scientists association, etc. These organizations contribute efficiency to the network and empower their members to both influence the network and participate in the system. Local NGOs have a continuing interest in the development of sustainable smallholder agriculture should also be brought in.

All four of these groups need to work together to support the system. The system becomes sustainable when these parties all recognize that it is in their mutual self-interest to support the network, and that the payoff to each is greater than the continuing contribution to the network. Organizing into a formal network is a way for members representing various viewpoints and offering various resources to the group to cooperate and facilitate provision of

goods and services.

A fifth group made up of donors and international NGOs may also participate in such networks. They can help to create the network and to make it operational. They may play a critical catalytic role in helping a network to form or to expand and increase its development contribution. But, they must recognize their limits or risk killing the network. Dominance of the network by outsiders inhibits a sense of ownership on the part of local participants. Outside funds can distort incentives for membership, bringing in the wrong members for the wrong reasons. If outsiders create dependence on outside funds which dry up for reasons often having nothing to do with the network, they will kill it.

Having identified the participants in a network to develop sustainable systems, it is important to understand the characteristics of the system and the role of the network. Sustainable production systems can exist, and in many economies, do exist without a network. Where the policies are mostly right, incentives are clear, information is readily available and goods and services are freely and competitively traded, smallholders practice sustainable agriculture because it satisfies their immediate and long run interests.

The purpose of creating the network is to organize and coordinate development of the system to serve the interests of the members and the community by helping to develop sustainable smallholder agriculture. To be sustainable, the network must have a vision or mission that the members share and to which they are sufficiently committed to provide the resources required for the network to function. Start-up resources may be available from outside the network, but the local(regional) members must provide or be able to reliably secure resources required for continued operation.

For the network to "facilitate" it must develop as an effective communication system among the members and link members to appropriate outside institutions. The network must help to identify best practices and direct research toward the development of better technology. This information must be shared so that those who can provide the supporting goods and services know what is needed by whom and when.

Technology transfer must be recognized as a critical phase beyond technology development. The provision of essential goods and services to smallholders through competitive input and output markets must be recognized as the sustainable way to support small holders.

The members in the network must look for ways to bring in nonmembers to solve problems. Private sector suppliers and buyers of smallholders output who recognize constraints such as the need for credit, may be the best ones to work toward bringing in the necessary services and, if necessary, modifying their own business practices to make the system work.

Local and international efforts over the past 20 years have been directed towards smallholders

with successes, and generally with overall disappointing results. Most failed efforts have taken a supply-side approach, trying to help subsistence farmers increase production of their subsistence crop to provide for their own food security. The approach was to develop and disseminate new varieties and complementary production practices, as was done for the "green revolution". Unfortunately, much of the "supply push" production technology has not been adopted. It is not clear if the problem was in the transfer process or if the technology was unacceptable or useless to the farmer.

Where new varieties were distributed, production gains occasionally were remarkable (on the order of 100% or more). Unfortunately, in most cases gains generally are on the order of 15 to 20% and this is unlikely to be sufficient for farmers to take on new risks implied by the new technology. Nor are such gains usually sufficient to enable him to achieve sufficient increased security through increased income from crop sales. The net result is more farmers are moving into more marginal lands resulting in a continuing decline in the resource base. These modest yield increases have helped farmers to stay alive but contributed little or nothing toward enabling them to have contribute to and participating in economic growth.

Sustainable smallholder agriculture, in contrast, is characterized by a production system in which farmers select their crops, and use various technologies and invest in production inputs on the basis of market demand. Their objective is to increase their incomes and thus their economic and food security. When the farmer's family is no longer hungry, he can begin to value the land and other resources and adjust his management practices to preserve and possibly enhance the resources available. Access to markets is critical to enabling farmers to change from current natural resource degradation and exploitative technologies to more productive systems that integrate the small holder into the developing economy and where preservation of the resources has sufficient value for him to induce changes in behavior.

The networks that are proposed can, in some cases, be relatively easily developed from networks that already have been organized to support smallholders. Local leaders and members already have recognized the need to expand their members and to change their focus. The SMIP and SARRNET network leaders already are bringing in the private sector input suppliers and processors who will be participating in the markets with small holders. They have recognized the need to change focus from supply oriented plant breeding to demand-based markets that provide incentives for farmers to invest. Finally, they have recognized the need to work more closely with farmers to find out what they want and need, rather than produce the technology first and try to transfer it later.

These networks that focus on sorghum and millet, and on cassava and sweet potato provide a good start but there is a danger in being too narrowly commodity focused. They need to shift to a production systems focus for semi-arid agriculture and Humid/sub-humid agriculture systems. This means they will have to look beyond the specific crops to farming systems that now employ these crops and help farmers to employ new production techniques and marketing strategies for these or alternative crops that will lead to increasing incomes from a

sustainable and improving resource base.

To accelerate adoption of sustainable agriculture approaches as is called for in SO3, it will be necessary to quickly look beyond the existing research-based networks and develop a Smallholder Market-oriented Agriculture Network. As the regional economy develops, smallholder subsistence farmers will seek to increase incomes either by moving into the market-oriented group or out of agriculture into another sector of the economy. One important aspect of this transformation will be development of smallholder cooperatives and other types of farmer organizations. By organizing, they can become more competitive both in the markets and in influencing policy improvements. The alternative is to remain in subsistence production systems, where poverty prevails and development is a dream.

C. Rational Guidance Selection of RP 3.2 (SHARP) Activities

SHARP will take advantage of and build upon current agriculture development activities funded outside of the SO Grant Agreement. Principal among these are the SMIP and SARNET programs funded by USAID and coordinated by SACCAR. Other activities funded by USAID's Office of Sustainable Development in the Africa Bureau, the Food Early Warning Systems (FEWS) funded by the Office of Disaster Assistance, and research activities of USAID Global Bureau have and are expected to continue to support the achievement of SO3.

Activities proposed for funding under this results package will build on and expand from these. Some of the activities have already been identified, while others will be identified later and all are subject to revision as needed to most effectively achieve the agreed results for SO3. All activities for SHARP will be judged against the following criteria:

C.1. They will enable smallholders to participate as contributors and beneficiaries in the economic development of the region, through adoption of sustainable agriculture production technologies and practices that increase their incomes;

C.2. They will be essentially regional in nature⁶

⁶

Regional activities for RCSA are activities which could not readily be implemented under a bilateral program. USAID has several bilateral missions located in the region and these missions are the rightful management units for implementing most of USAID's country-to-country assistance programs. Several countries in the region do not have bilateral missions. For these countries, it might be possible for the RCSA to design and implement a development strategy, but IT IS NOT the mandate of RCSA to operate bilateral programs in non-presence countries. The mandate of RCSA is to implement regional programs to take advantage of opportunities to do things regionally that accelerate development across the region. Such programs will address

C.3. They will also contribute to one or more of the following:

C.3.a. they will strengthen farmers organizations, enabling smallholders to access technology, production inputs and output markets, and other services that might otherwise be unavailable to them;

C.3.b. they will support development of systems or networks that accelerate identification and communication of technologies and practices of value to smallholders;

C.3.c. they will strengthen participation of smallholders, the private sector, and NGOs in development, selection and transfer of technology;

C.3.d. they will contribute to enabling smallholders to participate in commercial markets, thereby increasing incomes.

D. Ongoing Activities Supporting SO3

USAID, in cooperation with SADC and other regional partners, has in recent years funded a

issues of cross-border trade that will help each country to take advantage of its comparative advantages in its development, but this is only part of the regional advantage.

Within the southern africa region there are tremendous natural resources and a great deal of diversity in the resource base. This diversity offers considerable potential for complementarity in the development of the economy of the region. Along with this diversity, there is a commonality of natural resources and agro-climatic zones that cross national boundaries. There also is a commonality in terms of socio-economic development opportunities and constraints across many of the countries. As each country addresses these constraints, it faces common problems in dealing with nature, with common neighbors and with international market forces.

Recognizing the issues and the potential for accelerating development through cooperation, the countries of the region created SADC. USAID created RCSA and jointly they can agree to the implementation of Agriculture and Natural Resources programs that over the next five years will help smallholders of the region to access information on technologies that work, on policies that work, natural resource management practices that work; examples of all of these that don't work or don't work as well as they might. From exchanging information on facts, the networks across the region can move to developing systems of cooperation (eg. where agricultural processors from one country see business potential in linking with farmers' associations in another country, or tourist promoters and CBNRM communities see opportunities for cooperation.) Where several countries are trying to solve the same problem, cooperation may provide the critical research mass to come up with the solution. Where some countries are stagnating, the proponents for change may be able to push the leaders (or bureaucracies) to recognize that higher levels of performance are possible and already achieved by neighbors.

number of agriculture development activities. Several of these are continuing and are contributing to achievement of SO3.

The Sorghum and Millet Improvement Program(SMIP) has completed three phases during which it has developed, in cooperation with its regional partners, a regional research network and released many new recommended varieties of Sorghum and Millet. They have developed a revised proposal for a 5 year Phase IV that will build on lessons learned and direct future activities. Significant among the changes and objectives for Phase IV are the expansion of the Network to include more representation and input in decision making from the Private Sector, from NGOs, and from smallholders. Future efforts will put less emphasis on variety development and more emphasis on enabling farmers to participate in commercial markets. New initiatives will include looking at a broader range of production and marketing technologies and practices that may be appropriate for smallholders.

The SMIP vision of how conditions facing sorghum and millet producers in Southern Africa will change by the year 2003 is presented as:

"A strong regional network of public and private partners will exist to promote a sustainable process of higher productivity, utilization regional trade and income growth through increased commercialization of sorghum and millet in southern Africa. By the end of SMIP Phase IV in 2003, participating farmers will enjoy increased access to improved varieties derived from broad use of the regional germplasm base and improved seed delivery systems. Farmers in selected semi-arid zones will be using improved farming practices, including the use of grain legumes to address soil and water constraints in a sustainable manner. Using better seeds and better farming practices, adoption rates for both will increase and farmers will be in a position to respond to increased demand for sorghum and pearl millet by food and feed industries that have increased utilization. Higher levels of commercialization will exist throughout industry, including input supply, production, processing, marketing and trade. Pressure on Land and water resources of southern Africa as result of sorghum and millet production will decrease."

SMIP was partially funded before this agreement was executed and those funds will enable them to continue for several years. Therefore, this activity will be financed outside of the funds provided under the SOAg.

The second activity under this results package is the SARRNET program to help smallholders increase production of Cassava and Sweet Potato. It has completed five years of research and identified and released several varieties of each crop. It has also developed an extensive research network involving partners who are interested in research related to small older production systems in which cassava and sweet potatoes are principal crops.

Under SARRNET phase II, the network will be expanded, looking more toward technology dissemination and supporting the development of conditions enabling smallholders in the sub-

humid and humid tropical zones of the region to adopt new technologies and better practices leading to higher incomes and a more sustainable agriculture production system. Bringing in more private sector representatives from both input and output markets for these crops, and more timely input by farmer representatives into the priorities of the network, should help direct efforts to more market oriented strategies. Such strategies should provide the increased incentives necessary to induce small holders to adopt new technologies, new marketing practices and possibly new crops for a more sustainable smallholder agriculture system.

E. New Activities

A third activity under RP 3.1 will be development of a network or networks focused more directly on smallholder market oriented agriculture. Smallholders generally have little or no market leverage either in accessing inputs or in the sale of outputs. Linking farmer organizations across the region, among themselves and with suppliers, food processors and industrial users of smallholder outputs, will be a critical part of the system for transferring technologies and best practices. Support under this activity may also be provided to strengthen the network among regional industrial groups, such as the grain millers, the seed industry, agriculture banks, other lenders, etc. This activity could also support development of professional associations, identifying and certifying agronomists, integrated pest management and plant protection officers, and others who are professionally committed to technology transfer and who would benefit from participating in a system that accelerates the transfer and adoption of sustainable agriculture.

This third activity will look at critical issues related to improved communication within the networks, various associations, etc. There will be a very diverse group of players in each of the networks, and each network will require development of an effective communications strategy. The communication strategies will address incentives and needs of the various participants in the network and provide options to meet those needs if the network is to become self sustaining. Communication strategies must pay particular attention to gender issues and identify special activities or efforts to permit equal access by women to services, new technologies and approaches.

F. Linkages Between USAID, Partners and Customers

1. ULTIMATE CUSTOMERS:

- 1.a. Members and potential members of Community Natural Resource Management Organizations(CBOs).
- 1.b. Smallholders and members of Farmer Base Organizations(FBOs)

2. INTERMEDIATE CUSTOMERS:

- 2.a. Rural community groups engaged in management of natural resources
- 2.b. Smallholder/farmer organizations

- 2.c. Agribusinesses
- 2.d. The Southern Africa Development Community (SADC) and SADC Sector Coordinating Units (SCU"s) that share objectives and intermediate results of SO3.
- 2.e. SADC member country government agencies that actively participate in planning and/or implementing programs impacting on SO3. These may include:
 - 2.f. National Agriculture Research services
 - 2.g. Extension services
 - 2.h. Land and/or natural resource management agencies
 - 2.i. Relevant policy units
 - 2.j. Ministries of Agriculture, Environment, Trade, Finance, Commerce and others that may participate.
- 2.k. Selected Non-government Organizations (NGOs) including international, regional and local NGOs that actively participate in planning and/or implementing the SO3 strategy.
- 2.l. Training institutes, both private and government.
- 2.m. Universities and their faculty members, particularly those engaged in research (including policy analysis) and networking related to sustainable agriculture and natural resources management.
- 2.n. Tourism-based organizations.
- 3. PARTNERS:
 - 3.a. SADC
 - 3.b. International Agriculture Research Institutes (IARCs), primarily ICRISAT & IITA
 - 3.c. Other Donors (European Union, World Bank, GTZ, CIDA, FAO, DANIDA, DEFID, NORAD, others)
 - 3.d. USAIDW: AFR/SD, G/ENV/NR, G/EG/AGR

G. Responsibilities and Authorities of SO3 Team

RCSA has redelegated to SO team leaders the authority needed to design, implement and monitor the achievement of their SOs under Notice No: 97:067 dated September 29, 1997. The SO Team Leader will redelegate authority as appropriate to the RP team leaders when they have been identified and the RP teams formed. In view of the Agency emphasis on empowering teams.

The clearance matrix of Notice 97-067 will be interpreted to mean that the clearance by

offices indicated will be satisfied by the clearance of that offices representative on team⁷.

H. Personnel Requirements (USAID and Partners)

The RCSA *Results Packages Team* will have to play a very strong leadership role in addition to the normal management functions if the planned results are to be achieved. They will have to champion the new, demand-driven approach to the development of smallholder agriculture. They will have to continually fight the pervading resistance to change, the intransigence of government agencies and personnel, and the stereotypes of the smallholder being incapable of anything other than subsistence agriculture. They will have to actively seek out and support partners who will champion smallholder market oriented agriculture development.

They will be organized from within the SO team to manage a set of similar activities, requiring similar skills and involving closely related intermediate partners and customers. The Smallholder Agriculture Results Package (SHARP) will be led by a senior experienced technical officer and assisted by the Contracting Specialist, Financial analyst, NGO specialist Project Development Officer and Program Assistant from the SO team. The SHARP team will also include a Policy and Agriculture Trade advisor.

The RP teams will organize and work with an Extended RP Team made up of the senior representatives of principal USAID SO 3 partners. The extended teams will meet at least bimonthly to review progress, coordinate activities and share ideas as to how to best achieve the desired results.

The SHARP Extended Team, in addition to the core RP, team will include:

- SADC technical representative
- SMIP Program Manager
- SARRNET Program Manager
- Small Holder Agriculture Marketing network Contractor COP
- Other Activity leaders as may be identified (e.g., RAPID)
- USAID Bilateral mission and AFR/SD Ag officers will be virtual team members

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The design team would like to note that the number of clearance appears excessive with 5 or 6 clearances required on many actions. A well functioning RCSA team should have a sufficient common understanding of policies and accepted practices that 2 or 3 clearances would be adequate for any action. (This would not mean others are not informed but it would mean the papers don't have to be held up for clearance and responsibility for delays diffused across the entire staff.) The number of PO and PDO clearance appear to be particularly burdensome for these officers and the missions. USAID/Cairo and Manila, USAID's largest missions, eliminated one or the other of these clearances on almost all actions years ago.

I. Funding and other Resources Provided by USAID and Partners

1. ILLUSTRATIVE FINANCIAL PLAN

The illustrative financial plan and obligation schedule is attached as Tables 1 and 2. This plan will be updated through SOAG amendments, or through SO Implementation Letters. Changes may be made to the financial plan by written agreement of representatives of the Parties without formal amendment to the Agreement, provided that such changes do not cause USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement. Future obligations of funds are subject to the availability of funds and execution of an amendment to this Agreement.

2. PROCUREMENT PROCEDURES

USAID will contract directly for technical assistance, commodities and equipment, and training services, and will award grants or cooperative agreements as necessary to achieve the results described above. USAID will procure such goods and services, and award such grants and cooperative agreements, and manage such contracts, grants and cooperative agreements, including making payments thereunder, in accordance with Applicable USAID regulations, policies and laws. In all cases, SADC will be informed and have the opportunity to review and comment on the appropriateness of the procurement or assistance to a grantee.

TABLE No. 1. FINANCIAL PLAN

ACTIVITY	AMOUNT
SMIP	\$6,000.000
SARRNET	\$2,900.000
SMALLHOLDER MARKET ORIENTED AGRICULTURE NETWORK	\$6,500.000
RAPID (32 of SO3 share)	\$2,375.000
STRENGHT (50% of SO3 share)	\$3,000.000
HEARTWATER	\$3,850.000
OTHERS INCLUDING SARRNET PHASE II	\$8,670.000
TOTAL	\$33,295.000

ANNEX A.

TABLE No. 2. SO3 OBLIGATION SCHEDULE (\$000)

	NON SOAg		Planned Additional USAID Contribution Under SOAg						GRAND TOTAL
	Pipeline 09/30/97	Fut. Agreement. Obligation	FY 99	FY 00	FY01	FY 02	FY 03	Total*	
Activity									
1. Smallholder Agric. RP	7,650	1,250	2,500	3,500	2,250	2,920	3,500	14,670	23,570
Result Package									
SMIP	4,750	1,250 (01)							6,000
SARRNET	2,900								2,900
New ctivity			2,500	3,500	2,250	2,920	3,500	14,670	14,670
2. CBNRM RP	4,600	4,400	2,500	3,000	3,500	2,920	3,500	15,420	24,420
Reg. CBNRM	2,500								2,500
NETCAB	2,100	4,400 (98)							6,500
New Activity			2,500	3,000	3,500	2,920	3,500	15,420	15,420
3. Policy			1,000	1,000	1,000	1,000	1,000	5,000	5,000
4. OTHER ACTIVIT. (RP1&2)	14,040	2,025				1,160		1,160	17,225
RAPID	6,000	1,375 (98)							7,375
STRENGHT	4,190	650 (98)				1,160		1,160	6,000
HEARTWATER	3,850								3,850
TOTAL**	26,290	7,675	6,000	7,500	6,750	8,000	8,000	36,250	70,215

* This colum does not include Pipeline and Future Agreement Obligations Columns (Non SOAg)

** Sum of Sub-Totals (in shaded areas)

ANNEX A.

J. Performance Monitoring and Evaluation Plan

Monitoring of activities and the achievement of results under this RP will follow standard USAID monitoring and evaluation procedures as specified in ADS section 204. The results package team will have primary responsibility for monitoring activities of the RP3.1 and for identifying if, when and what type of evaluations may be justified to elucidate why various aspects of the program are working or not working.

The RP3.1 Core team will insure that each of the activities under RP3.1 has a monitoring plan. The RP team leader will work with the contractor and recipient managers under the RP and with the IMPACT team of SPOB to insure that they are working together to efficiently and effectively collect the information needed to measure progress. By working together, they will not only measure and report progress but will be able to more easily and more quickly identify what is working and recommend where to redirect resources as needed to maximize impact of the program.

The monitoring and evaluation activity under this RP will at least meet USAID's monitoring requirements but should also contribute directly to achievement of IR2. All of the participants in agriculture development networks need better access to reliable data. The data that is collected by USAID on the status and current opportunities and changes in the sector should be shared with USAID's partners and customers. For this reason, it will be important that monitoring activities be looked at not just for USAID's information needs but for what they can contribute to the SO. For this reason the investment in monitoring and evaluation, data collection and dissemination, under this RP should be significantly above the minimum 3% recommended in the ADS and closer to the 10% recommended as the upper limit. For additional details the SO3 PMEP is attached as Annex Band C.

K. Technical Considerations

1. GENDER CONCERNS

The accelerated adoption of sustainable agriculture approaches is an equally important issue for men and women in Southern Africa. A thorough review of this issue will be carried out, and the results of this analysis will be utilized to further focus activities under this RP to ensure that gender concerns are fully incorporated. Indicator data will be desegregated by gender where appropriate.

2. ENVIRONMENTAL CONCERNS

All activities of this RP will require an Initial Environmental Assessment as required in ADS 204.

X. RESULTS PACKAGE 3.2: SUSTAINABLE ECONOMIC GROWTH AND

BIODIVERSITY CONSERVATION FROM NATURAL RESOURCES MANAGEMENT

A. Background

The Southern African region is renowned for its diverse and rich natural resource base, including large reserves of minerals; abundant wildlife in spectacular natural settings; high biodiversity; vast coastal fisheries; and a growing tourism industry throughout the region.

Southern Africans have long recognized the significant opportunities presented by the regional approach to sustainable natural resources management, and have supported regional efforts for many years. Indeed, the Southern African Development Community (SADC) has adopted a Regional Natural Resource Policy and Development Strategy which identifies fauna and flora as an important and integral component of the regions natural resource base which can contribute to economic development.

The RCSA strategy recognizes that natural resources management can have both economic and technical advantages over other forms of land use, especially true in areas that are marginal for agriculture. The viability of this approach has been demonstrated on both privately owned and communal lands in several SADC countries and in many other African countries. RCSA's regional natural resources management program, for example, has demonstrated the potential for raising incomes from the natural resource base through its initiatives in community-based natural resource management (CBNRM).

The RCSA and its partners are committed to building on this strong and growing sense of regional community collaboration and clearly recognizes that the dominant regional trend is toward regional economic integration based on sustainably increasing natural resource productivity through empowering the people, women and men, that live in the natural resource areas.

B. Problem Statement

The Southern Africa region faces enormous challenges, including the need to conserve its rich but fragile natural resource base as an economic asset for future generations. The region's population who reside in marginal agro-ecological zones and strive to maximize the use of all the available natural resources will be the ultimate customers of this effort. Empowering these people and providing them with means to sustainably use and conserve the resource while increasing incomes, translates into decreased degradation as rural resource users gain access and/or incentives to use improved sustainable natural resource management (NRM) approaches.

This said, it is of paramount importance that rural resource users and communities throughout the region adopt NRM best practices if natural resource deterioration is to be reversed and the rural resource users' incomes increased.

Wildlife numbers decline as a direct result of population and livestock pressures on land, illegal hunting, and conversion or degradation of habitat. Ironically, even the few examples of wildlife management, elephant populations are on the increase in a number of countries—may be exacerbating the problem, as unchecked wildlife population growth causes ecological damage and increased human/wildlife/livestock competition leading to conflicts and non-sustainability.

Biodiversity loss also is also a serious concern, with species such as the large ungulates under particular threat, and in certain instances unique flora is endangered by competition from introduced species and alternate use. Water management is emerging as a most critical concern about the region's resources, with scarcity, poor quality and inefficient use being the major problems in most countries. Competition for water is growing, and trade-offs will soon have to be made between water for human consumption (urban/industrial) and for ecological/rural population functions, including agriculture and wildlife conservation. While SPOA is addressing some of these concerns, RP 3.2 must also consider this resource in activities that support sustainable use of natural resources.

Many of these problems stem from a *lack of adequate tenure* over natural resources and policies which unwittingly subsidize inappropriate use of resources.

Despite the aforementioned trends, there are indications that the stock of natural resources will make significant contributions to accelerating the region's economic growth. Indicators of the potential for raising incomes from the natural resource base comes from the lessons USAID has learned in the last 9 years of supporting CBNRM activities in Southern Africa. Pilot CBNRM projects have been established in several countries of the region to address the reality that rural resource users (with traditional technology and practices) will not, and cannot afford to, sustainably manage the natural resource base, nor to conserve the biodiversity therein, *unless they receive direct benefits from such conservation*.

Throughout the region, communities are receiving increased revenues from sustainable use of resources in such diversified enterprises as eco-tourism ventures (game viewing; archeological sites), harvesting of veld products (thatching grass, fruits, pane worms), bee-keeping, and craft sales. Regional Governments are recognizing the potential benefits this approach affords, and several have adopted facilitating legislation and/or policies.

Demand from communities, governments and non-governmental organizations for assistance in introducing CBNRM is increasingly rapidly. If the region's natural resource base is to be managed sustainably, efforts to further identify, test, and disseminate appropriate natural resource management approaches must be expeditiously extended throughout the region.

Lessons have been learned over the years from natural resource management projects, e.g.:

B.1. *People degrade resources primarily to meet economic needs.* They are unlikely

to conserve them unless they are better off by doing so, either through higher incomes or lower risks. For this to happen, conservation strategies must increase the return on natural capital and on family labor, otherwise there will be no increment with which to make people better off. People must perceive that the returns are not unreasonably uncertain from their perspective, and that such returns will begin to flow in the relatively near term. Finally, to succeed, sustainable natural resources management also must compare favorably to alternative income opportunities.

B.2. Improved natural resources management is rarely separable from the broader economic transformation of the rural economy, or from the transformation of local governance systems. Indeed, it has typically been at the cutting edge of both. Complementary public policies must facilitate local initiatives to: (i) discern where broader trends are leading local choices and incentives; (ii) learn what works (technically, financially, institutionally) at the implementation level; (iii) understand what enabling conditions are needed to facilitate broadly-based local success; and (iv) create a policy of enabling conditions which leverage what is possible towards what is desirable.

B.3. When the goal is broad-based change in local resource management behavior (as opposed to situations where direct outside intervention simply puts infrastructure in place (building a road for example), or attempts to directly protect natural resources e.g. through establishment of parks/reserves, field implementation makes four vital contributions to broader objectives: (i) hypothesis testing; (ii) information and feedback to guide strategy/policy development; (iii) local learning and credibility building; and (iv) demonstration effects.

B.4. The greatest credibility for local initiatives comes from local sense of "ownership". By definition, allocation of effort and final selection of approaches must be guided by what is learned about local needs, local decision-making and feasibility in the specific context.

These lessons learned are an important part of the larger hypothesis which currently guides many CBNRM activities in Southern Africa. They provide legitimate benchmark against which the activities may be judged, give what it seeks to accomplish, given lessons learned elsewhere, and given broader desired results.

For close to a decade now, USAID has expanded its portfolio's responses to equitable, sustainable economic growth in a democratic Southern Africa to include natural resources management.

Through this support, the rural resource user has experienced increased access to improved natural resource management practices, and improvements in income, food security and sustainability of the natural resource use that they promise. Opportunities exist to expand the reach of ongoing activities beyond the estimated one million rural

resource users that currently benefit from USAID programs.

The real need to transfer NRM best practices and increased responsibility for management of natural resources to the local level which is to be supported under the Natural Resources Management Results Package (NRMRP), presents the rationale for the specified Intermediate Results.

C. Summary of Activities/Intermediate Results

Results Package 3.2 will provide strategic support for the sustainable economic growth for natural resource-based communities. A principal result planned to be achieved will be enhanced capacity of rural resource users to profit from sustainable use of their natural resource base through empowerment to participate in, and benefit from, the rich and diverse natural resources to which they have or can acquire access and authority to manage.

Based on consultations with partners and customers, and on analysis of issues flowing from USAID experience in NRM, the Mission has identified two Intermediate Results to be achieved through the SO3 program.

As related to RP 3.2 initiatives, many natural resources management practices that would significantly increase NRM productivity in the region are already available and in practice, although on a small scale. However, These have not been widely transferred to the rural resource users who most need it. There are also many examples of best practices and appropriate technologies from the rest of Africa and the developing world that have direct and valuable application to the Southern African region. Without appropriate transfers of this knowledge and experience, Southern African natural resource users will not emulate or experience successful examples and/or demonstrations.

The RCSA will assist in the identification of NRM best practices and technologies, and identify appropriate market opportunities and systems for NRM managers and practitioners at both the community and government level. Through active engagement with policy-makers, enabling conditions that provide incentives to the natural resource managers will be developed. The RP activities will furthermore assist communities in understanding and adopting appropriate technologies. This RP will actively support tourism enhancement by providing knowledge-transfer of the opportunities for the varied and diverse opportunities of the marvelous, environmentally significant region.

The activities proposed for funding under this results package will build on and expand activities funded outside of this results package; proposed new activities are also included. All activities for the NRM-RP will be judged against the following criteria (illustrative activities follow):

C.1. They are essentially regional in nature.

C.2. Rural resource users will participate as contributors and beneficiaries in the economic development of the region through adoption of NRMRP practices.

C.3. An activity also should meet one or more of the following:

C.3.a. identification and dissemination of technologies which could be adopted by poor rural resource users

C.3.b. assists in the inventory of resources by and for communities

C.3.c. analyzes and disseminates information of improved NRM practices

C.3.d. identifies systems of best practices, including identifying critical incentives for communities that successfully practice CBNRM, management approaches by the communities; and, the positive and negative influence of their interactions with outside forces.

D. Acknowledged Principles

The following five principles are widely acknowledged as capturing the optimum conditions for resource management under communal property regimes:

D.1. Effective management of natural resources is best achieved by giving the resource a focused value - to determine whether the benefit of managing a resource exceeds the cost the resource must have a measurable value to the community.

D.2. Differential inputs must result in differential benefits - those communities living with the resource and thus bearing a higher cost should receive higher benefits than those who do not bear this cost.

D.3. There must be a positive correlation between the quality of management and the magnitude of derived benefits - an incentive for good management must reward greater investment in the resource with greater benefits.

D.4. The unit of proprietorship (i.e. who decides) should be the same as the unit of production, management and benefit - the group which manages the resource should also form the local management institution.

D.5. The unit of proprietorship should be as small as practicable, within ecological and socio-political constraints - smaller social groups are better at managing themselves and the resource than large anonymous institutions (Murphree, M, 1993).

1. IR1 - FUNCTIONING SYSTEMS IN PLACE FOR TRANSFERRING AG/NRM TECHNOLOGIES AND BEST PRACTICES ACROSS THE REGION.

Categories of activities in support of IR 1 include:

- Support to Regional NRM development
- Building awareness of CBNRM approaches in communities
- Support to the further development of the CBNRM Regional Network
- Support for the inventory, maintenance and conservation of regional biodiversity

The RP will assist NRM regional institutions to become sustainable. First priority will be with those organizations which USAID is already engaged. Likewise, the RP will explore possibilities for greater public/private collaboration in development and transfer processes for natural resources management technologies and approaches. This will be achieved through assistance provided to develop a Regional NRM Program; a regional CBNRM Network; NRM capacity building at the community level; and through support to institutions or organizations for pursuing the common goal to inventory, maintain and conserve regional biodiversity.

1.a. *Regional CBNRM Program*

Activity This activity will support bilateral efforts, complement their activities and serve as a value-added initiative to the CBNRM activity on a regional level. The program will identify and quantify past NRM initiatives and applicable technologies with a focus on success rates; identify and develop technologies that are applicable to manage the natural resource base (appropriate technology transfer); assist in identifying and understanding market systems; provide a forum to bring together policy-makers to exchange information; and, assistance for activity-based monitoring to gauge the extent to which the activities are benefitting the environment.

The CBNRM support will continue efforts to improve the social and economic well being of residents of targeted rural communities by implementing sustainable community based wildlife conservation and utilization programs. Additional support will come through the *STRENGTH* and the *RAPID PROJECTS*.

Support to CBOs and other NRM organizations to develop systems for and to carry out natural resource inventories and develop national NRM plans will permit communities to frame sound development resource decisions and management plans to maximize use and conservation of the resource while minimizing conflicts of alternate resource use.

Effective methods and systems to manage the resource base through data management on the type, amount and conditions are required. This data needs to be easily obtained, understandable, and easy to manipulate.

1.b. Assistance to the Regional CBNRM Network

Activity: The coordination and development of a regional capacity building project to establish a Southern Africa Regional CBNRM Network. The regional CBNRM network now serves as an important mechanism to increase participation in decision-making at both the regional and national level. A strengthened network will afford NGOs a more efficient communication medium to dialogue, share information and issues and ultimately present these issues to national and regional governments.

The network can serve as a mechanism to manage resources jointly and make timely and appropriate decisions about resource use. The "Network" will, as per its mission statement, support, facilitate and advance the work of its member groups to conserve resources and promote sustainable NRM practices. This could include NRM practices such as tourism development; agro-forestry; veld product management; wildlife management, and artisanal fisheries. The RP will support pilot activities to test and demonstrate to the region advantages of better CBNRM.

Another area of support will be the development of an information base of income potential activities such as providing services to government or private sector to assist in fire management programs, reforestation, tree seed collection, park maintenance, guide services, etc. Between 1998 and 2003, activities funded under this Intermediate Result (IR1) will be measured by the following indicators:

1.b.1 Number of CBNRM communities with: a) an inventory of their natural resources and, b) a plan to manage that which they have authority over (preliminary targets to be determined)

1.b.2. Regional CBNRM network organized, identifying and communicating best practices thereby assisting CBO's to apply sustainable technologies for increasing their income. (the preliminary targets for this indicator are qualitative measures of institutional strength of the network). The functions to be achieved are:

1.b.2.a. Expanded network including private sector, government research and technology transfer agencies, NGO and CBO representatives by 1999.

1.b.2.b. Defined operating plan identifying sufficient local resources to sustain network and a communication strategy for the network participants and SO 3 customers by year 2000.

1.b.2.c. Implemented operating plan with 50% of core operating funds sourced locally by year 2001.

1.b.2.d Network able to function without international ODA.

The targets above are indicative only and revised targets will be developed for these indicators within one year based on data that is presently being collected to establish baselines

from which progress will be measured.

2. IR2 - AN ENABLING ENVIRONMENT THAT PROVIDES INCREASED INCENTIVES FOR NATURAL RESOURCE USERS AND COMMUNITIES TO ADOPT SUSTAINABLE AG/NRM TECHNOLOGIES/APPROACHES.

For sustainable NRM technologies and best practices to be widely adopted, rural resource users and communities must see compelling reasons to adopt them. Resource tenure and pricing/fiscal policies must favor sustainable use; markets must exist for the goods and services produced (whether tourism products, sites, crafts made from forest products, *et al.*); required inputs and support services must be available and affordable.

The categories of activities in support of IR 2 are:

- Regional coordination
- Improved enabling conditions (policy and legislative base, etc.)
- Support to development groups with special emphasis on women's groups
- Tourism enhancement

Strengthened community capacity for decision-making is an integral result to be achieved and the RCSA believes that its most appropriate future role in NRM is to facilitate regional networking and dissemination of best practices, and to strengthen regional institutions performing these functions. As part of IR2, the RCSA plans to support regional organizations to build awareness of NRM in the communities; assist in community-based tourism; the provision of technical assistance to assist in the creation of NRM-based enterprises; identify the need for policy and legislative reform; improve coordination and dialogue between regional NRM agencies and organizations to allow for the understanding of what conditions are required for innovative management of natural resources to function. Experience in the past 9 years of CBNRM in the region shows that where policies permit communities to manage their resources, improved management results.

2.a. Improved Policy and Legislative Base

Activities: Activities to improve the policy and legislative base for NRM will be conducted through a related SO-3 Policy Activity. The RP will seek to identify sectoral policies in wildlife, tourism, range management, and land tenure that will allow communities and the rural resource user to gain control over these resources and derive benefits from them and communicate these to the Policy Activity. Continued coordination and collaboration is required.

The NETCAB Project will contribute to this activity as will, at the sub-national level; the RAPID Project which supports the broader participation of Southern African stakeholders in the timely implementation of those policies which can contribute to greater regional integration.

2.b. NRM Tourism Enhancement

Activity: The development of a NRM regional strategy a marketing strategy could be the development of a tourism-based WEB site. Between 1998 and 2003, activities funded under this Intermediate Result (IR2) will be measured by the following indicator:

Establishment of a regional system listing the tourist activities on a website that is accessible to the world. The website will be useful to both people interested in tourist opportunities as well as to the tourist industry. The site would be developed with assistance from USAID in collaboration with a private sector firm that provides significant resources in developing the site.

Another activity will be the provision of policy dialogue on what the regional governments should provide to enable conditions that will support a large increase in regional tourism. This activity will be supported by the Policy Activity of SO-3 and the RAPID Project. The RP will provide the Policy Activity with inputs and other information to help define the required enabling conditions.

2.b.1. A regional internet website featuring regional tourist opportunities.

2.b.2. Identification and prioritization of constraints inhibiting community management of natural resources.

2.b.3. Tourism enabling conditions identified and passed to the Policy Activity.

2.b.4. Increased reliability and availability of data supporting research, policy and marketing linkages; standardized data collection and reporting across the region.

2.b.5. Value of selected goods and services marketed by rural resource users and smallholders.

3. CONDITIONS FOR THE NEGOTATION OF IR 1 AND IR 2

The key regional conditions upon which the two IRs depend for their realization are:

3.a. Growing capacity of Southern African institutions to lead efforts in identifying, prioritizing, and addressing regional problems;

3.b. Sustainable and profitable technologies identified, developed, and demonstrated for regional application;

3.c. Dynamic networks and other mechanisms for regional sharing of information and technology established;

3.d. Conditions supportive for CBNRM and Tourism in place;

3.e. Improved systems for data collection and analysis for natural resources management in the region.

E. Linkages Between USAID, Partners, Intermediate Customers and Ultimate Customers

USAID and SADC are the primary partners in accomplishing the IRs. Notwithstanding the above, there are myriad other important players that may participate as partners providing resources and assistance. These include but are not limited to SADC agencies and dependencies, other donors, including the European Union (EU), the Canadian International Development Agency (CIDA), the United Nations Environment Program (UNEP), the African development Bank, and the following NGOs: the World Resources Institute (WRI), the World Conservation Union (IUCN), the World Wildlife Federation (WWF), Africa Resources Trust (ART), and Conservation International.

Other partners include USAID bilateral missions in selected countries of the region, and headquarter offices of USAID that are active in the region including AFR/SD, G/ENV/NR and G/EG/AGR.

Specific examples of linkages between the RCSA and other donors is in evidence through mutual NRMP activities. These include: JICA; IFAD; CIDA; NORAD; GEF; the Netherlands Development Program (SNV) and the EU; all are actively pursuing activities in NRM.

Other Southern Africa regional and SADC country organizations may be both partners and intermediate customers. These would contribute resources and/or provide implementation assistance either directly or complementary to the RP.

Furthermore, these partners/intermediate customers may be comprised of organizations or institutions of NRM-based communities, NGOs, universities, tourism-based organizations. Lastly, this group can be external government policy units, land management agencies, ministries of environment, and training institutes.

F. Responsibilities and Authorities of SO3 Team, Partners and Customers

The following NRM Results Package Team will be responsible for attaining the appropriate NRM results. The team composition is subject to change resulting from personnel actions such as transfers, attrition, and personnel being hired.

A NRM-RP Team that includes SO 3 team members, will be organized. The team will be led by two senior Technical Officers, an NRM Technical Advisor, and a Policy Analyst; they will be assisted by the Contracting Specialist, Financial Analyst, NGO specialist Project Development Officer, and a Program Assistant from the SO 3 Team. The aforementioned will be delegated the authority necessary to design and implement activities under review and guidance of the SO 3 Team.

The NRM-RP Team will organize and work with an extended team made up of the senior representatives of principal USAID SO 3 partners. The NRM-RP extended team will include managers or chief of parties from CBNRMP, NETCAB, RAPID, STRENGTH and IMPACT and representation from AFR/SD; also forming part of the team will be a NRM policy advisor, a SADC technical representative and, as appropriate, others who have a key role in a significant activity being undertaken within the region that supports the achievement of the SO and IRs.

The Policy Activity to be implemented under SO 3 is seen as overarching and linking the NRM and Agriculture activities. It will be managed directly by the SO 3 Team with the SO3 and RP team leaders sharing in responsibility to ensure that the policy group is working effectively with the SADC representative, national policy analyst and decision-makers.

The roles and responsibilities of the NRM-RP Team will be defined in a Team Charter which will serve to structure the operations thereof the same way a corporation or non-profit is governed by corporate laws. The Team Charter will define duties of the members of the NRM-RP Team, quorum required for meetings, voting procedures and majority determination, powers to approve documents, *et al.*

G. Delegations of Authority

RCA has redelegated the SO team leaders the authority required to design, implement and monitor the achievement of their SOs under Notice No.: 97:067 dated September 29, 1997. The SO Team Leader will redelegate authority as appropriate to the RP Team leader when they have been identified and the RP teams formed.

In light of the Agency emphasis on empowering teams, the clearance matrix of Notice 97-067 will be interpreted as follows: clearance by offices indicated will be satisfied by their chosen representative on the team.

H. Resource Requirements

Two RCA-funded NRM activities supporting the IRs are presently funded - NRMP and NETCAB - with a completion dates of 8/99 and 9/98 respectively.

With the re-engineering of USAID and the development of the Results Framework for SO 3,

all incremental obligations of on-going activities for IRs 1 and 2 from FY 98 (9/97) onwards will occur under this Results Package Authority.

Under the Strategic Objective, the NRM-RP is expected to be allocated \$15.3M for new activities which excludes the \$2.5M for the Policy Activity and the contribution of RAPID: \$3.7M and STRENGTH: \$2.4M;

For additional details of SO 3 Budget please refer to Table No. 2.

I. Performance Monitoring and Evaluation Plan

The SO 3 Results Framework and Performance Monitoring Plan appear as Annex A. The framework establishes three indicators for achievement of SO 3 and six indicators for the two IRs.

The indicators will be monitored to measure progress towards the achievement of the Agreement's Objective and Intermediate Results. Performance data will be collected annually from a variety of sources. Each activity will collect data and report progress in accordance with their respective intermediate results and established indicators.

The grantees and contractors will report to each RP Team on a semi-annual basis to coincide with the preparation and submission of the annual report (R-4) required by USAID/Washington in March and the SO 3's semi-annual Progress Review in October.

USAID/RCA has let a contract under the IMPACT activity of Special Objective B of the RCA strategy to collect data required to measure progress in achieving the RCA Strategic Objectives. Specifically, the contractor will provide a full range of monitoring and improved collection support services. The SO 3 RP Team will utilize the services of the contractor.

J. Risks and Assumptions

Several assumptions are inherent with any USAID natural resources management program. Critical assumptions, assessments, and management strategies, grouped into five broad areas are as follows:

J.1. that the target governments (SADC) remain committed to the adoption of natural resource management approaches; that they are responsive to support from the SO 3 and to changes and approaches promulgated; that this responsiveness is demonstrated in the actual implementation of changes and approaches promoted; and that the intermediate customers prove to be responsible implementors.

J.2. that donors and NGOs continue to finance activities oriented towards the rural resource

user; that they are responsive to support from the SO 3 and to changes and approaches promulgated by it; and that NGOs, Community-Based Organizations (CBOs) and the private sector prove and/or continue to be responsible implementors/partners.

J.3. that donors will and/or continue to support the accelerated adoption of sustainable NRM practices.

J.4. that the model/approach used by the SO 3 can be replicated regionally.

J.5. that the progress to date and lessons learned of the CBNRM initiative together with other USAID/RCA activities leads to more sustainable investments.

K. Technical Considerations

1. GENDER CONCERNS

The accelerated adoption of sustainable NRM approaches is an equally important issue for men and women in Southern Africa. A thorough review of this issue will be carried out, and the results of this analysis will be utilized to further focus activities under this RP to ensure that gender concerns are fully incorporated. Indicator data will be desegregated by gender where appropriate.

2. ENVIRONMENTAL CONCERNS

All activities of this RP will require an Initial Environmental Assessment as required in ADS 204.

ANNEX A

SOUTHERN AFRICA REGIONAL POPULATION, 1992

ANNEX A

SOUTHERN AFRICA REGIONAL POPULATION, 1992.⁸
(TOTALS, RURAL & IN ABSOLUTE POVERTY)
(\$000,000)

	POPULATION			POPULATION IN ABSOLUTE POVERTY (as defined by UNDP)		
COUNTRY	Total	Rural		Total	Rural	
	Number	Number	as % of Total	Number	Number	as % of Total
ANGOLA	9.9	7.2	73	5.8	4.7	50
BOTSWANA	1.4	1.0	73	0.6	0.5	83
LESOTHO	1.8	1.4	79	1.0	0.8	80
MALAWI	9.1	8.0	88	8.4	8.0	96
MAURITIUS	1.1	0.7	59	0.1	0.1	63
MOZAMBIQUE	15.7	11.0	70	8.9	6.9	78
NAMIBIA	1.5	1.1	71	1.1	1.0	91
SOUTH AFRICA	40.0	20.0	50	16.0	14.0	88
SWAZILAND	0.8	0.6	72	0.4	0.3	69
TANZANIA	27.0	21.1	78	16.2	13.1	81
ZAMBIA	8.6	5.0	58	5.5	4.0	73
ZIMBABWE	10.0	7.0	70	4.4	3.5	80
AVERAGE/TOTAL	126.9	84.1	66	68.4	57.7	85

SOURCE: Calculations by AGRIDECA based on data from: Rwelamira & Kleynhans, "SADC Agricultural Potential Assessment: Country Profiles", Development Bank of Southern Africa, Development Paper 124; ISSN 1022-0127; ISBN 1-919692-20-7, December, 1996 (Data does not include the Seychelles or the Democratic Republic of the Congo)

TABLE No. 1. FINANCIAL PLAN

ACTIVITY	AMOUNT
SMIP	\$6,000.000
SARRNET	\$2,900.000
SMALLHOLDER MARKET ORIENTED AGRICULTURE NETWORK	\$6,500.000
RAPID (32 of SO3 share)	\$2,375.000
STRENGHT (50% of SO3 share)	\$3,000.000
HEARTWATER	\$3,850.000
OTHERS INCLUDING SARRNET PHASE II	\$8,670.000
TOTAL	\$33,295.000

ANNEX A.

TABLE No. 2. SO3 OBLIGATION SCHEDULE (\$000)

	NON SOAg		Planned Additional USAID Contribution Under SOAg						GRAND TOTAL
	Pipeline 09/30/97	Fut. Agreement. Obligation	FY 99	FY 00	FY01	FY 02	FY 03	Total*	
Activity									
1. Smallholder Agric. RP	7,650	1,250	2,500	3,500	2,250	2,920	3,500	14,670	23,570
Result Package									
SMIP	4,750	1,250 (01)							6,000
SARRNET	2,900								2,900
New ctivity			2,500	3,500	2,250	2,920	3,500	14,670	14,670
2. CBNRM RP	4,600	4,400	2,500	3,000	3,500	2,920	3,500	15,420	24,420
Reg. CBNRM	2,500								2,500
NETCAB	2,100	4,400 (98)							6,500
New Activity			2,500	3,000	3,500	2,920	3,500	15,420	15,420
3. Policy			1,000	1,000	1,000	1,000	1,000	5,000	5,000
4. OTHER ACTIVIT. (RP1&2)	14,040	2,025				1,160		1,160	17,225
RAPID	6,000	1,375 (98)							7,375
STRENGHT	4,190	650 (98)				1,160		1,160	6,000
HEARTWATER	3,850								3,850
TOTAL**	26,290	7,675	6,000	7,500	6,750	8,000	8,000	36,250	70,215

* This colum does not include Pipeline and Future Agreement Obligations Columns (Non SOAg)

** Sum of Sub-Totals (in shaded areas)

ANNEX A.

ANNEX B

MONITORING AND EVALUATION PLAN

MONITORING AND EVALUATION PLAN

I. BACKGROUND

The ADS section 203.5.5(b) provides the following guidance for Performance Monitoring Plans:

Information included in a performance monitoring plan shall enable comparable performance data to be collected over time, even in the event of staff turnover, and shall clearly articulate expectations in terms of schedule and responsibility. Specifically, performance monitoring plans shall provide a detailed definition of the performance indicators that will be tracked; specify the source, method of collection and schedule of collection for all required data; and assign responsibility for collection to a specific office, team or individual.

The ADS section 203.3.7 defines the SO teams responsibility for monitoring and evaluation as:

- f) monitoring, analyzing and reporting on performance against established performance criteria, and taking corrective action as necessary;*
- g) using evaluative activities to determine why assistance is or is not achieving intended results;*
- h) recommending to the operating unit any changes to an objective or the strategic plan;*

The SO team will be responsible for seeing that performance data is collected annually from a variety of sources to measure progress towards the achievement of the SO and IRs. A contractor has been engaged by USAID under the IMPACT activity of Special Objective B of the RCSA strategy to collect data required to measure progress in achieving the Strategic Objectives and Intermediate Results. The SO team will work with the SPO B contractor to assist where needed in defining data requirements, agreeing on collection procedures and schedules and insure cooperation of the SO 3 activity managers and personnel in collection of the required data. Each activity will collect data and report semi-annually to the SO team on progress in accordance with its respective results, benchmarks and established indicators. An annual Expanded SO 3 Team meeting of USAID, SADC and other partners participating in the implementation of the SO will be held to, among other things, review progress and identify modifications in activities and approaches.

After three years of program implementation(2001), RCSA and SADC will conduct a comprehensive review to assess progress made, the validity of assumptions, the overall quality of activity implementation and the potential for future progress. If warranted, changes will be made in the results framework and in the activities planned or being implemented. The results of this review will also be used by RCSA in developing its next strategy and in identifying objectives and results that may be achieved.

As may be necessary and to complement the monitoring program, evaluation of specific activities, results packages or the entire program may be scheduled as needed. Such evaluations will be structured to answer specific questions related to the achievement of the SO and must be justified, *i.e.* potential value must exceed costs of the evaluation.

Financial audits of the activities will be conducted in accordance with standard procedures. With Respect to all recipients receiving funds directly from USAID under the Agreement, the USAID agreement with these recipients will contain appropriate audit requirements and funding for such audits where appropriate.

The SO team will formally report on progress to RCSA semi-annually: a comprehensive report on progress in achieving results will be made in connection with the RCSA R4 preparation and an interim progress report on activities and progress will be submitted in August.

D R A F T: Proposed Indicators for SO 3.

II. Strategic Objective *Accelerated regional adoption of sustainable Agriculture and Natural Resource management approaches.*

The SO level Indicators of success will be:

- II.1 Increase in the total area in the region under CBNRM. (Preliminary target is 10 million ha by 2000 and 20 million ha by 2003)
- II.2 Increased income of CBNRM communities from their community managed resources. (Preliminary target is \$10 million by 2000 and \$40 million by 2003)
- II.3 Number(male/female) and percent of smallholders and rural resource users in selected areas adopting new technology or practices identified in USAID supported activities capable of sustainably increasing average productivity or profitability by at least 25 percent. (Preliminary target is 500,000 smallholders by 2003 and 20% of the farmers in areas that have been targeted for 3 years.)
- II.4 Number of CBOs in selected areas.

A. Intermediate Result (IR) 1: Function systems in place for transferring Agriculture and Natural Resources Management (NRM) technologies and best practices across the region.

Indicators of Success:

- A.1 Number of sustainable smallholder agriculture regional networks that:
 - a) are organized and functioning with private sector, government research and technology transfer agencies, NGOs and Farmer Representatives;

- b) have an operating plan that will identify sufficient local resources to sustain the network;
- c) are implementing their operating plan with 50% of funds sourced locally;
- d) able to function without international support. (Target: Three new or revitalized networks functioning and two have adopted a plan for sustainability by 2000; by 2003 there will be 4 at/past level "a", two at/past "c" and one at "d.")

A.2 Number of people and organizations(gender desegregated) participating in the networks and percentage who find the Network to be providing useful information. (Preliminary target is 20,000 people and 400 organizations participating in the Networks with at least 50% finding the participation helpful to themselves by 2003. Participation is defined to cover a broad range from those contributing time and money to making the network down, to those who are enrolled to regularly receive information from the network. Gender desegregated data for organization will identify the number of participating organization that have identified and are addressing gender issues in their programs.)

A.3 Regional CBNRM network organized, identifying and communicating best practices and assisting CBO's of rural resource users to apply sustainable technologies for increasing their income through CBNRM. (The preliminary targets for this indicator are qualitative measures of institutional strength of the networks. The functions to be achieved are:

A.3.a organized and functioning with private sector, government research and technology transfer agencies, NGOs and CBO representatives by 1999;

A.3.b defines an operating plan that identifies sufficient local resources to sustain the network and adopts a communication strategy for the network participants and SO 3 customers by 2000;

A.3.c implement its operating plan with 50% of core operating funds sourced locally by 2001.

A.3.d able to function without international support

B. Intermediate Result (IR) 2: An enabling environment which promotes increased incentives for small holder and communities to adopt sustainable Agriculture and NRM technologies and approaches.

Indicators of Success:

1. Establishment of a regional system of cooperation in policy reform based on analysis and dialogue. (Targets are the benchmarks listed below:

- by
- B.1.a creation of a regional SADC task force (Permanent Secretary or higher level) 1999;
 - B.1.b identification and prioritization of constraints inhibiting development of sustainable smallholder agriculture or inhibiting community management of natural resources by 2000.
 - B.1.c agreement within a policy network to seek changes based on analysis and dialogue stakeholders that will relieve/resolve of constraints, by 2000;
 - B.1.d development of model legislation or best practices to address identified constraints.
 - B.1.e acceptance of policy reforms accepted.
- B.2 Increase in availability and reliability of regional data supporting policy, research and market linkages. (Preliminary performance targets are qualitative and include:
- B.2.a identification of existing data bases which are being actively maintained by 2000;
 - B.2.b organization of a working group to review quantity and quality of data available, prioritized data bases to be maintained and identify the institutions that would cooperate in maintaining the system by 2001;
 - B.2.c standardization of data collecting and reporting systems to improve comparability of data across the region;
 - B.2.d availability of data bases available to the public being maintained and updated by local institutions to support policy development and open competitive markets by 2003;
- B.3 Increase in market links available to rural resource users measured by the value of selected goods and services marketed by rural resource users and smallholders (tourism, sorghum, millet and cassava). (Preliminary target is \$xx million by 2000 and \$yy by 2003.)

ANNEX C

OBJECTIVE TREES

FOR

INTERMEDIATE RESULTS AND RESULT PACKAGES

SO 3 RESULTS Tree

**SO3 Accelerated
Regional Adoption of
Sustainable Agriculture
and Natural Resource
Management Approaches**

SO3 INDICATORS

1. Area under CBNRM
2. Income of CBNRM Communities
3. Technology increasing selected rural families income by >25%
4. Number of CBOs in selected areas

IR 1. Functioning systems in place for transferring Agriculture and Natural Resources technologies and best practices across the region.

IR 2. An enabling environment which promotes increased incentives for smallholder communities to adopt sustainable Agriculture and Natural Resources technologies and approaches

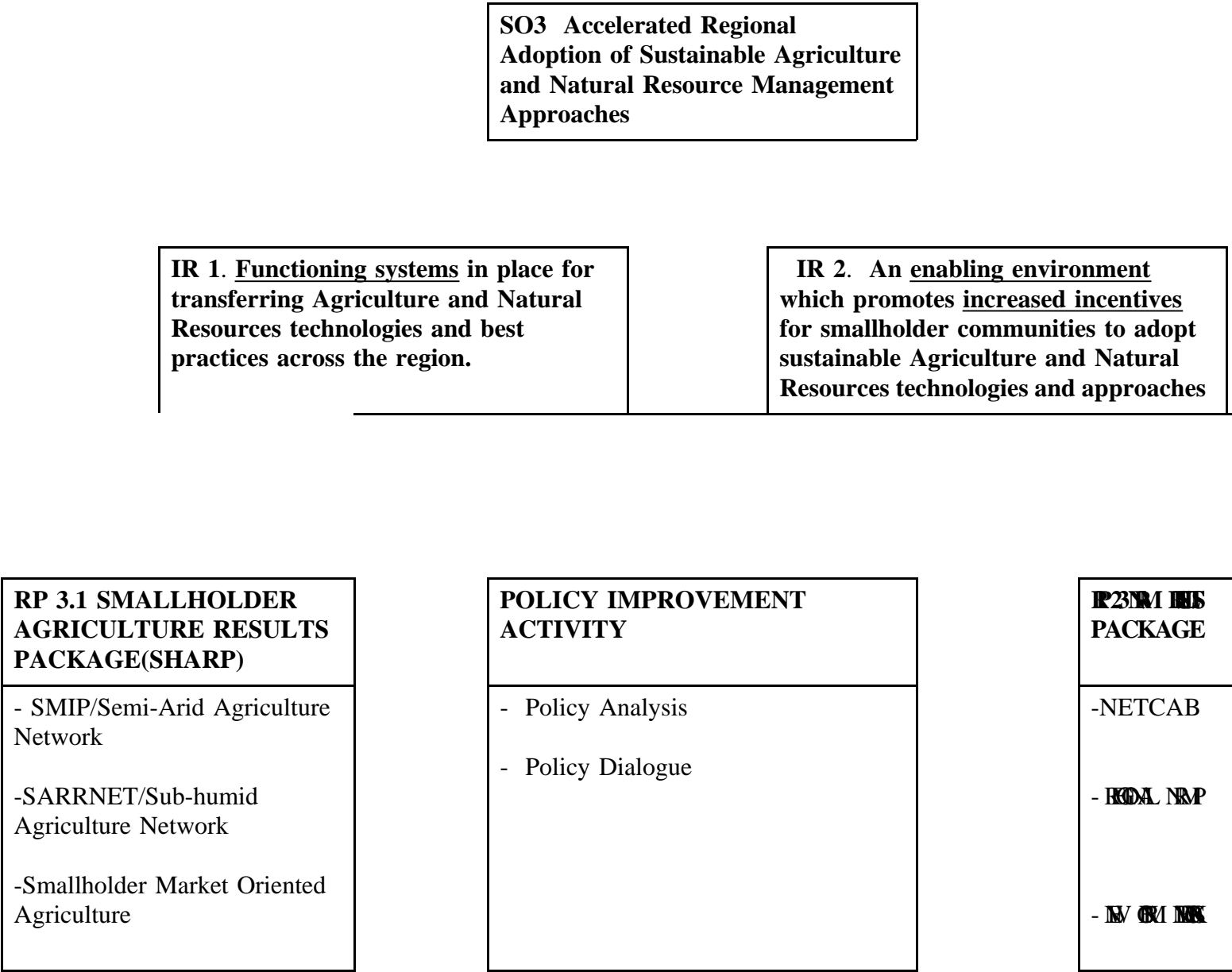
IR1 INDICATORS

IR2 INDICATORS

1. Ag Networks focused on markets & functioning
2. Number and % of satisfied network participants.
3. CBNRM networks focused on NR users increasing income.

1. Policy and Analysis and Reform functioning.
2. Availability of reliable data for policy, research & competitive markets
3. Market links available to rural resource users

SO 3 Activity Management Tree



SMALLHOLDER AGRICULTURE RESULTS PACKAGE

RP 3.1(SHARP)

SO3 Accelerated regional adoption of sustainable Agriculture and Natural Resource Management approaches

IR 1. Functioning systems in place for transferring Agriculture and Natural Resources technologies and best practices across the region.

IR 2. An enabling environment which promotes increased incentives for smallholder communities to adopt sustainable Agriculture and Natural Resources technologies and approaches

RP 3.1 Smallholder Agriculture Demand Driven Development

SMIP/SEMI-ARID AGRICULTURE NETWORK

- Market oriented networks guide TDT
- Smallholders trading in new/expanded markets
- improved practices and new varieties adopted
- Ag land and water in sustainable management

SARNET/SUB-HUMID AGRICULTURE NETWORK

- Expanded network links Pvt sector, NARS, NGOs & Smallholders.
- Research and Private Ind. open processing/market for cassava and sweet potato
- Improved practices and new varieties adopted

SMALLHOLDER MARKET ORIENTED AGRICULTURE NET.

- FarmCoops.established linked and strengthened
- Private Sector Tech delivery systems
- Market information sys.
- Communication strategy
- High value crops in the production system.

NATURAL RESOURCE MANAGEMENT RESULTS PACKAGE

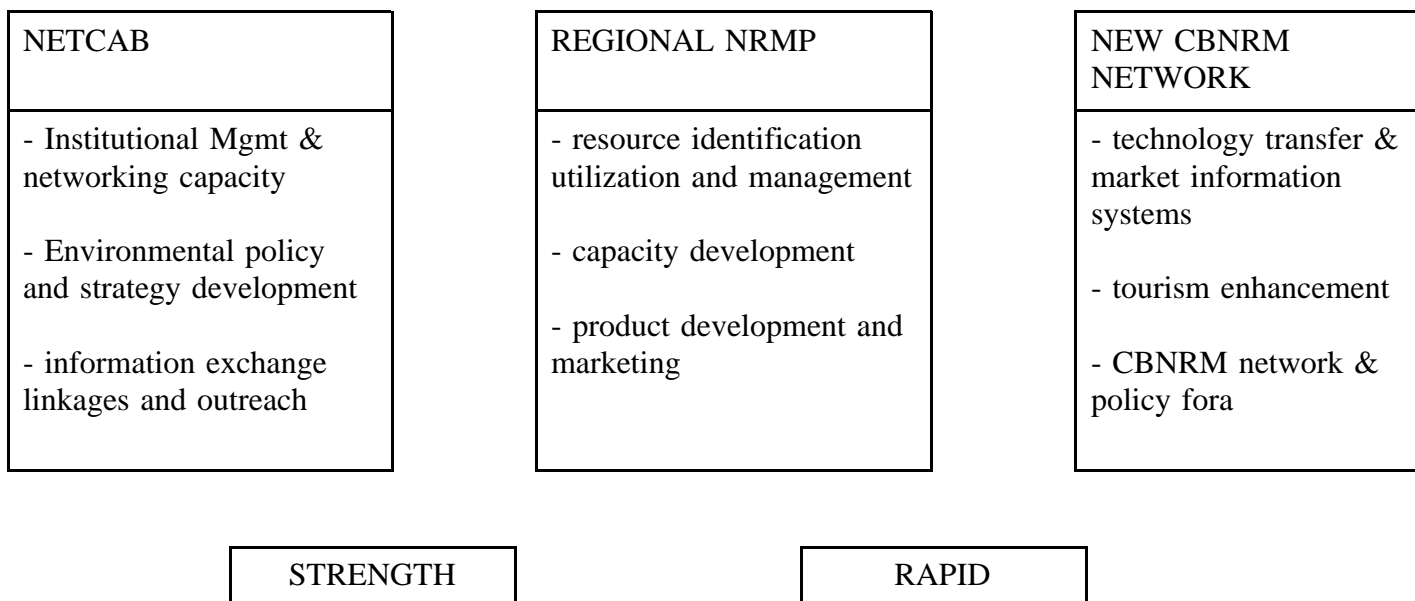
RP 3.2

SO3 Accelerated regional adoption of sustainable Agriculture and Natural Resource Management approaches

IR 1. Functioning systems in place for transferring Agriculture and Natural Resources technologies and best practices across the region.

IR 2. An enabling environment which promotes increased incentives for smallholder communities to adopt sustainable Agriculture and Natural Resources technologies and approaches

RP 3.2 NRM RESULTS PACKAGE



POLICY IMPROVEMENT ACTIVITY

SO3 Accelerated regional adoption of sustainable Agriculture and Natural Resource Management approaches

IR 1. Functioning systems in place for transferring Agriculture and Natural Resources technologies and best practices across the region

IR 2. An enabling environment which promotes increased incentives for smallholder communities to adopt sustainable Agriculture and Natural Resources technologies and approaches

Agriculture and NRM Policy Activity

Policy Analysis Network

- Policy Framework Developed
- Inventory of major policies and constraints
- Policy Analysis areas prioritized
- Policy areas 1&2 analysed and recommendations prepared
- Policy statements 1&2 formulated
- Repeat steps for policy areas 3 & 4

Policy Dialogue Network

- Policy framework dialogued analysed and endorsed
- Inventory of policies and constraints dialogued and accepted
- Priorities for analysis dialogued, modified and accepted
- Analysis & recommendations for policy areas 1&2 dialogued modified and framework of change formulated
- Formulations 1&2 dialogued, modified and presented for approval
- Repeat steps for policy areas 3&4

STRATEGIC OBJECTIVE

Accelerated Regional Adoption of
Sustainable Ag/NRM Approaches

DRAFT

2. SO3 TEAM MANAGEMENT CONTRACT

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ANNEXES

- A. AMPLIFIED DESCRIPTION: SO3 GRANT AGREEMENT
- B. SO3 TEAMS, PERSONNEL AND AUTHORITY
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2. SO3 TEAM MANAGEMENT CONTRACT

I. BACKGROUND

The SO3 team and the RCSA Senior Management Team, through their designated representatives, have signed this Management Contract as the formal record of confirmation of their joint and several commitments (including understandings, responsibilities, authorities and intentions) to effectively and efficiently manage planning and implementation of the USAID/RCSA SO3 development assistance program for the Southern Africa region (the program). (See Endnote ¹ for Additional Automated Directive System References).

The program to be managed under the terms of this contract is expected to achieve SO3 by the end of FY 2003, viz:

ACCELERATED REGIONAL ADOPTION OF SUSTAINABLE AGRICULTURAL AND NATURAL RESOURCES (AG/NR) MANAGEMENT APPROACHES

This contract consists of a summary of the strategic plan and program for achieving SO3 (including a description of the SO and IR frameworks), specification of estimated resources required over the strategy period to achieve the objective (including SO3 and Results Packages team personnel assignments and levels of effort), delegations of authority, and other appropriate management commitments (See endnote ² for enumeration of SO team responsibilities). Directive System ADS policies and guidance are incorporated directly or by reference into this contract as necessary to further clarify mutual commitments, and to indicate provenance (See endnote ³ for details).

II. DESCRIPTION OF SO3 PROGRAM

The mission of the SO3 program is to contribute to enabling rural resource users of the region to sustainably manage and productively use their natural resource base⁹ for increasing incomes and well-being, through assistance designed to:

II.a. Increase access to markets

II.b. Increase capacity to inventory, audit, analyze alternative uses and sustainably manage natural resources

II.c. Facilitate access to and adoption of improved technologies/best practices in sustainable natural resources management and productive uses

II.d. Develop a favorable policy environment for sustainable management and productive uses of the natural resource base

II.e. Increase knowledge about the region's natural resource base, its sustainable management and productive use,

¹

Natural Resource Base, as defined under this SO, is the land and water, and the flora and fauna which they support, and includes land suitable for agriculture and livestock uses.

and information transfer approaches.

The SO3 was approved as part of the May 1997 RCSA Strategy "Regional Integration Through Partnership and Participation". Implementation commenced in 1998 and is planned for continuation through 2003. SO3 will provide resources that permit key interventions by partners to accelerate adoption throughout the region of sustainable agricultural and natural resources management practices.

To achieve the objective, SO3-assisted interventions are expected to accomplish two intermediate results: 1) Functioning systems in place for effectively transferring profitable, sustainable AG/NR management and utilization technologies and best practices across the region, and, 2) An enabling environment in place that provides increasing incentives for smallholders and natural resource-based community groups to adopt sustainable improved AG/NR management and utilization technologies and best practices approaches.

A description of the SO3 program is attached as Annex A. This Annex provides an amplified description of the mission and purpose of SO3, intermediate results (including performance indicators and illustrative targets) and results packages (RPs), necessary conditions required to achieve the objective, and outcomes expected from SO3 interventions.

Ongoing activities which are contributing to SO3 include:

Activity	Start/End	Authorized\$000
Regional Sorghum and Millet(SMIP)	1993/1998	41,110
Regional Agricultural Research Coordination(SACCAR)	1984/1998	5,300
Natural Resources Management(NRMP)	1989/1999	60,494
Southern Africa Root Crops Network	1993/1999	7,000
Improved Environmental Policy and Planning(NECTCAB)	1995/1998	5,000
Regional Activity to Promote Integration through Dialogue and Policy Implementation(RAPID)	1996/2002	7,700
Strengthening Regional Economies Through NGOs(STRENGTH)	1996/2002	6,000
Heartwater Disease Control	1994/1999	3,850

III. PROGRAM RESOURCES - USAID

A. SO3 Budget Levels by FY.

Planned SO3 budget levels by FY for the program period are:

<u>FISCAL YEAR</u>	<u>BUDGETED(\$ million)</u>	
	<u>Low</u>	<u>HIGH</u>
Pipeline 9/30/97	26.3	28.3
FY 98	6.4	6.4
FY 99	7.5	8.0-9.4
FY 00	8.0	8.0
FY 01	8.0	12.0
FY 02	8.0	12.0
FY 03	8.0	12.0
<hr/>		
TOTAL	72.2	86.7

B. Estimated Resources Contributed by Partners and Customers.

For NGO grants and cooperative agreements, partner contributions will be sought in accordance with mission policy and will be specified in the agreements. The networks developed under SO3 will to be partially funded by member contributions, in cash and in-kind, and, by the end of the strategy period, at least 50% of funds required for operating the networks will be sourced locally. All activities will report estimates of partner and customer contributions, as well as progress in achieving contributions identified as important to the sustainability of the program.

IV. SO3 MANAGEMENT ARRANGEMENTS AND PERSONNEL.

The SO3 team hereby commits individually and collectively to achievement of the performance targets specified for SO3 and the IRs, and do hereby hold themselves individually and collectively accountable for said achievement (See endnotes 2 and 3). As described in the Mission Strategy Plan and Annex A, the SO3 team assumes primary responsibility for program planning and management of USAID resources made available for implementation of SO3. To assist them in carrying out their commitment, two RP teams will be established. Day to day operations and management of all RP activities will be the responsibility of the two RP Teams. As indicated in Annex A, the Policy activity will be managed directly by the SO3 team. Team responsibilities of each assigned SO3 staff member will be specified in his/her annual work plan, and individual performance on the team will be assessed annually. Personnel requirements, staffing assignments and delegations of authority required for management at the SO3 and RP team levels are shown in Annex B.

V. PERFORMANCE MONITORING AND EVALUATION.

The Performance Monitoring and Evaluation Plan (PMEP) is attached hereto as Annex C. The PMEP specifies SO and IR level indicators, as well as periodic and final performance targets for those indicators. The PMEP also describes the plan for monitoring progress and reporting results. The SO3 team members are accountable (within the scope of individual job descriptions) for achieving performance targets specified, and for satisfactory monitoring of progress and reporting of results.

VI. OTHER COMMITMENTS.

The Customer Service Plan (CSP), attached hereto as Annex D, is agreed to by SO3 team members. The CSP specifies how members will conduct themselves with partners and customers, and how broad-based participation will be achieved in program planning and implementation. Additionally, it is agreed that the SO3 program and results packages document, any SO3 related obligating documents, and relevant sections of the ADS (even though not attached hereto or incorporated by reference), will be used to clarify and interpret the commitments of the parties under this contract.

VII. MODIFICATION AND RECONFIRMATION.

This contract may be modified by mutual written agreement of the representatives of the parties. New SO3 team members will signify their concurrence with the terms of this contract in writing. This contract will be reconfirmed by the parties, including any modifications, on an annual basis.

This contract represents mutual understandings and commitments of the parties. In Witness whereof, representatives of the parties have signed below on the dates shown.

Signed: _____ Date: _____
Mission Director

_____ Date: _____
SO3 Team Leader

CLEARANCE: [SO3 TEAM MEMBERS]

- ATTACHMENTS INCORPORATED BY REFERENCE:
- ANNEX A. AMPLIFIED DESCRIPTION: SO3 GRANT AGREEMENT
 - ANNEX B. SO3 TEAMS, PERSONNEL AND AUTHORITY
 - ANNEX C. MONITORING AND EVALUATION PLAN
 - ANNEX D. CUSTOMER SERVICE PLAN (CSP)

ANNEX A

AMPLIFIED DESCRIPTION: SO3 GRANT AGREEMENT

AMPLIFIED DESCRIPTION: SO3 GRANT AGREEMENT

I. INTRODUCTION

Southern Africa's rural poor populations depend on agriculture and other natural resources to provide their livelihood. Current patterns of utilization erode productivity the resource base and are not sustainable. Proper management of the natural resources will provide increased incomes and improved quality of life for these rural poor. USAID/RCSA's experience has demonstrated, that when better management practices are used, incomes increase, food security is achieved, and rural people become economic participants in society. Using improved technologies and better practices also mitigates the trend of an eroding resource base and leads to sustainable agriculture and natural resources biological and economic productivity.

The development of appropriate technologies and the identification of better practices proceeds faster and more efficiently if approached on a regional basis. Improved practices and technologies have been identified in and for the region, but dissemination and adoption of these practices is poor at best. New technologies and methods of dissemination of these technologies exist but have not been fully tested in the region.

SADC has identified these problems to be addressed regionally. SADC's distribution requires that the people working in agriculture and natural resources management, e.g., farmers, NGOs, and the private sector, users of natural resources, etc., must be brought into the process of identifying better practices and technologies and disseminating these technologies throughout the region. Particular attention must be given to bring women farmers and rural resource users into technology development and dissemination processes.

II. STRATEGIC OBJECTIVE

In order to assist the Southern African Region with appropriate, sustainable development and productivity of natural resources while protecting the biodiversity of the resource, USAID/RCSA and the Southern Africa Development Community (SADC) agree to undertake a series of activities to achieve the results of Strategic Objective (SO), *“Accelerated regional adoption of sustainable Agriculture and Natural Resource management approaches.”*

A. The SO Level Indicators will be:

- A.1 Increase in the total area in the region under CBNRM
(Preliminary target is 10 million ha by 2000 and 20 million ha by 2003)
- A.2 Increased income of CBNRM communities from their community managed resources. (Preliminary target is \$10 million by 2000 and \$40 million by 2003)
- A.3 Number(male/female) and percent of smallholders and rural resource users in selected areas adopting new technology or practices identified in USAID supported activities capable of sustainably increasing average productivity or profitability by at least 25 percent. (Preliminary target is 500,000 smallholders by 2003)

and 20% of the farmers in areas that have been targeted for 3 years.)

A.4 Number of CBOs in selected areas.

The targets specified above are indicative only and revised targets will be developed for these indicators within one year based on data that is now being collected to establish baselines.

III. RESULTS FRAMEWORKS

To achieve this Strategic Objective, three Intermediate Results have been identified. Funding under this agreement is sufficient only to achieve Intermediate Results 1 & 2 as discussed below. Intermediate Result 3, *Improved infrastructure to move goods and people*, has been identified as critical to achieving the Objective but achievement is beyond the capacity of this SO. IR III is being addressed by SADC, USAID and others outside of the scope of this agreement.

A. Intermediate Result (IR) 1: Functioning Systems in Place for Transferring Agriculture and Natural Resources Management (NRM) Technologies and Best Practices across the Region.

1. THE DEVELOPMENT ISSUE:

Low incomes and unrealized productivity potential among smallholder families and other rural resource user families is recognized as a profound and growing problem throughout Southern Africa. Efforts by rural poor to achieve minimal subsistence through exploitation of the natural resource base has resulted in deterioration of the natural resource base and in resulting decline in productivity and loss of biodiversity. Activities in support of IR 1 will move aggressively to work with these families, will make better technology and management practices available to them, and will create an enabling environment so that they can increase their incomes through sustainable agriculture and management of the natural resources.

Investments in agriculture and resource management in recent years by SADC, by the member national governments through their agriculture research and extension programs, by donors and international research centers, and by NGOs have produced much promising technology—but rates of technology adoption have been disappointing and slowing impact of recommended practices.

Additionally, there is an urgent need to arrest further deterioration of the resource base.

There are common problems, but solutions are likely to be complex. Rural areas are characterized by a wide variety of agro/ecological zones in each country with zones often crossing national boundaries. In fact, Southern Africa can be characterized as comprising a system of eight ecozones: lowland tropical forest; afro-montane and temperate forest; grassland; savanna; nama-karoo; succulent karoo; desert; and fynbos.

There is an crucial need to merge interested sectors across the region in identifying and validating better technologies and practices and in transferring that knowledge to those who need it and who can use it to resolve the problems. Several major activities will be initiated or reinforced during the periods that this SO is in effect.

The achievement of IR 1 using expansion and refocusing of existing networks and the development of new

networks is a key action in accelerating identification, dissemination and adoption of improved practices. During the last three years, USAID and SADC have developed an impressive system of networks in the Region. Using these as building block, the SO 3 will significantly improve their effectiveness to support the need to identify, test, and disseminate improved technologies.

2. IR 1 INDICATORS OF SUCESS:

2.a.Number of sustainable smallholder agriculture regional networks that:

2.a.1 are organized and functioning with private sector, government research and technology transfer agencies, NGOs and Farmer Representatives;

2.a.2 have a operating plan that will identify sufficient local resources to sustain the network;

2.a.3 are implementing their operating plan with 50% of funds sourced locally;

2.a.4 able to function without international support.

(Target: Three new or revitalized networks functioning and two have adopted a plan for sustainability by 2000; by 2003 there will be 4 at/past level "a.1", two at/past "a.3" and one at "a.1")

2.b.Number of people and organizations(gender desegregated) participating in the networks and % who find the Network to be providing useful information. (Preliminary target is 20,000 people and 400 organizations participating in the Networks with at least 50% finding the participation helpful to themselves by 2003.

Participation is defined to cover a broad range from those contributing time and money to making the network down to those who are enrolled to regularly receive information from the network. Gender desegregated data for organization will identify the number of participating organization that have identified and are addressing gender issues in their programs.)

2.c.Regional CBNRM network organized, identifying and communicating best practices and assisting CBO's of rural resource users to apply sustainable technologies for increasing their income through CBNRM. (The preliminary targets for this indicator are qualitative measures of institutional strength of the networks. The functions to be achieved are:

2.c.1) organized and functioning with private sector, government research and technology transfer agencies, NGOs and CBO Representatives by 1999;

2.c.2) defines an operating plan that identifies sufficient local resources to sustain the network and adopts a communication strategy for the network participants and SO 3 customers by 2000;

2.c.3) implementing its operating plan with 50% of core operating funds sourced locally by 2001.

2.c.4) able to function without international support

The targets specified above are indicative only and revised targets will be developed for these indicators within one year based on data that is now being collected to establish baselines.

B. Intermediate Result (IR) 2: An enabling environment which promotes increased incentives for smallholders and communities to adopt sustainable Agriculture and NRM technologies and approaches.

1. THE DEVELOPMENT ISSUE:

Either the policy environment or the markets in the region or some combination of the two are providing inadequate opportunities and incentives for the rural poor to adopt more sustainable and more beneficial practices and technologies in their exploitation/utilization of agriculture and the natural resource base. The identification of policy constraints, their analysis and resolution along with the identification of market based incentives is crucial.

The communication of those incentives to rural communities inducing them to adopt the improved technology and best practices for sustainable management of their resources is required if adoption is to be accelerated and the depletion of the resources base is to be checked.

Another area of emphasis will be in strengthening the capacity of regional institutions, NGOs, and other important players to be able to support the sustainable development activities such as extension, adoption, and support for those ultimate customers, e.g. smallholders, CBNRM communities, and their supporting groups. Policy makers will also be assisted in defining and applying policy decisions to support improved development in rural areas.

2. IR 2 INDICATORS OF SUCCESS:

*a. Establishment of a regional system of cooperation in policy reform based on analysis and dialogue.
(Targets are the benchmarks listed below:*

2.a.1 regional SADC task force created(Permanent Secretary or higher level) by 1999;

2.a.2 identification and prioritization of constraints inhibiting development of sustainable smallholder agriculture or inhibiting community management of natural resources by 2000.

2.a.3 agreement within a policy network to seek changes based on analysis and dialogue stakeholders that will relieve/resolve of constraints-2000;

2.a.4 model legislation or best practices developed to address identified constraints.

2.a.5 policy reforms accepted

*b. Increase in availability and reliability of regional data supporting policy, research and market linkages.
(Preliminary performance targets are qualitative and include:*

2.b.1 identification of existing data bases which are being actively maintained by 2000;

2.b.2 organization of a working group to review quantity and quality of data available, prioritized data bases to be maintained and identify the institutions who would cooperate in maintaining the system by 2001;

2.b.3 standardized data collecting and reporting systems to improve comparability of data across the region;

2.b.4 data bases available to the public being maintained and updated by local institutions to support policy development and open competitive markets by 2003;

- c. *Increase in market links available to rural resource users measured by the value of selected goods and services marketed by rural resource users and smallholders (tourism, sorghum, millet and cassava). Preliminary target is \$xx million by 2000 and \$yy by 2003.*

IV. MONITORING, EVALUATION AND AUDIT

The indicators identified will provide measures of progress towards the achievement of the Strategic Objective and Intermediate Results. Performance data will be collected annually from a variety of sources. Each activity will collect data and report semi-annually on progress in accordance with its respective intermediate results and established indicators. A contractor has been engaged by USAID under the IMPACT activity of Special Objective B of the RCSA strategy to assist with the collection and analysis of data required to measure progress in achieving the Strategic Objectives. An annual Expanded SO 3 Team meeting of USAID, SADC and other partners participating in the implementation of the SO will, among other things, review progress and identify modifications in activities and approaches.

Evaluation of specific activities, results packages or the entire program may be scheduled as needed during the strategy period. Such evaluations will be structured to answer specific questions related to the achievement of the SO and will be justified on the basis of the potential value there from exceeding costs of the evaluation.

Financial audits of the activities will be conducted in accordance with standard procedures for this Agreement.

V. ACTIVITIES AND RESULTS PACKAGES

The activities being undertaken to achieve the Strategic Objective include activities funded under this agreement as well as activities being undertaken by each of the parties in cooperation with others in the region. The activities being funded by USAID are grouped into two results packages and a policy activity. A results package is defined as a management unit drawing together a set of related or complementary activities, personnel, financial resources, etc., to achieve agreed results. The two results packages are: RP 3.1, smallholder agriculture, and RP 3.2, community based natural resources management. Each will contribute to both of the intermediate results discussed in section IV above.

A. Result Package (RP) 3.1: Smallholders Agriculture Results Package (SHARP)

RP 3.1 will take advantage of and build upon current agriculture development activities funded outside of this

Agreement. Principal existing activities are the Sorghum and Millet Improvement Program(SMIP) and Southern African Root Crops Research Network(SARRNET) programs funded by USAID.

Both of these projects are scheduled for additional phases under this RP.

Other supporting activities are the Food Early Warning Systems(FEWS) funded by the Office of Disaster Assistance, technology development and transfer funded by USAID's Office of Sustainable Development in the Africa Bureau, and research activities of USAID Global Bureau. These are expected to continue during the life of this SO.

Activities proposed for funding under this results package will build on and expand from the existing program. Some of the activities have already been identified; others may be identified later and all are subject to revision as needed to most effectively achieve the agreed results and SO. *All activities for SHARP will be judged against the following criteria:*

A.1 they will be regional in nature

A.b they will enable smallholders to participate as contributors and beneficiaries in the economic development of the region through adoption and utilization of sustainable agriculture production technologies and practices

A.2 they will also contribute to one or more of the following:

A.3.1 they will strengthen farmers organizations, enabling smallholders to access technology, production inputs and output markets, and other services that might otherwise be unavailable to them

A.3.2 they will support development of systems or networks that accelerate identification and communication of technologies and practices of value to smallholders

A.3.3 they will strengthen participation of smallholders, the private sector, and NGOs in development, selection and transfer of technology

A.c.4 they will contribute to enabling smallholders to participate in commercial markets, thereby increasing incomes

Ongoing activities supporting this Agreement. USAID, in cooperation with SADC and other regional partners, has in recent years funded a number of agriculture development activities. Several of these are continuing and are contributing to achievement of the Strategic Objective.

The Regional Sorghum and Millet Improvement Program(SMIP) has completed three phases during which it has developed, in cooperation with its regional partners, a regional research network and released many new recommended varieties of Sorghum and Millet.

They have developed a revised proposal for a 5 year Phase IV that will build on lessons learned and direct future activities. Significant among the changes and objectives for Phase IV are the expansion of the Network to include more representation and input in decision making from the Private Sector, from NGOs and smallholders. Future efforts will put less emphasis on variety development and more emphasis on enabling farmers to participate in commercial markets. New initiatives will include looking at a broader range of production and marketing technologies and practices that may be appropriate for smallholders.

The SMIP vision of how conditions facing sorghum and millet producers in Southern Africa will change by the year 2003 is presented as:

"A strong regional network of public and private partners will exist to promote a sustainable process of higher productivity, utilization regional trade and income growth through increased commercialization of sorghum and millet in southern Africa. By the end of SMIP Phase IV in 2003, participation farmers will enjoy increased access to improved varieties derived from broad use of the regional germplasm base and improved seed delivery systems. Farmers in selected semi-arid zones will be using improved farming practices, including the use of grain legumes to address soil and water constraints in a sustainable manner. Using better seeds and better farming practices, adoption rates for both will increase and farmers will be in a position to respond to increased demand for sorghum and pearl millet by food and feed industries that have increased utilization. Higher levels of commercialization will exist throughout industry, including input supply, production, processing, marketing and trade. Pressure on Land and water resources of southern Africa as result of sorghum and millet production will decrease."

SMIP was partially funded before this agreement was executed and those funds will enable them to continue for several years. Therefore, this activity will be partially financed outside of the funds provided under this Agreement.

The second activity under this results package is the SARRNET program to help smallholders increase production of Cassava and Sweet Potato. It has completed five years of research and identified and released several varieties of each crop. It has also developed an extensive research network involving partners who are interested in research related to small older production systems in which cassava and sweet potatoes are principal crops.

Under SARRNET phase II, the network will be expanded, looking more toward technology dissemination and supporting the development of conditions enabling smallholders in the sub-humid and humid tropical regions of the region to adopt new technologies and better practices leading to higher incomes and a more sustainable agricultural production system.

Bringing in more private sector representatives from both input and output markets for these crops, and more timely input by farmer representatives into the priorities of the network, should help direct efforts to more market oriented strategies. Such strategies should provide the increased incentives necessary to induce small holders to adopt new technologies, new marketing practices and new crops for a more sustainable smallholder agriculture system.

A third activity under RP 3.1 will be development of a network or networks focused more directly on smallholder market oriented agriculture. Smallholders generally have little or no market leverage either in accessing inputs or

in the sale of outputs. Linking farmer organizations across the region and linking them with suppliers, food processors and industrial users of smallholder outputs, will be a critical part of the system for transferring technologies and best practices. Support under this activity may also be provided to strengthen the network among regional industrial groups, such as the grain millers, the seed industry, agriculture banks, other lenders, etc.

This activity could also support development of professional associations, identifying and certifying agronomists, integrated pest management and plant protection officers, and others who are professionally committed to technology transfer and who would benefit from participating in a system that accelerates the transfer and adoption of sustainable agriculture technologies and best practices.

This third activity will look at critical issues related to improved communication within the networks, various associations, etc. There will be a very diverse group of players in each of the networks, and each network will require development of an effective communication strategy. The communication strategy will address incentives of the various participants in the network and provide options to meet those needs if the network is to become self sustaining. The communication strategy must pay particular attention to gender issues and identify special activities or efforts to permit equal access by women to services, new technologies and approaches.

B. Results Package (RP) 3.2: NRM Regional Support

CBNRM is recognized in the Region as the most efficient and effective way to properly exploit natural resources using sustainable management by rural communities. These communities live where the resources are, often they are eking out a minimal subsistence, and have no alternative but to continue to utilize the resources. Helping them to better understand the resources, and to adopt technologies that are ecological and economically sustainable and while providing income, will serve to manage these resources rationally and move toward conserving biodiversity.

The critical function of this activity is to accelerate across the region, the development and adoption of improved CBNRM approaches from a regional platform. It is very difficult to work directly with many communities across the region where natural resource problems are specific to local ecology and where institutional and policy problems may be national in character.

The regional advantage is the ability to link communities, NGOs, and development professionals, and government agencies across country boundaries into a network that can help all who are interested to learn from each other what is being tried, what works and what doesn't. This network may support site-specific efforts to the extent that these provide new insights into resolution of problems being encountered in various parts of the region. Here again, the idea will be to bring in the best ideas and most appropriate people and institutions from the region to resolve technology problems and to enable the community and rural resource users to improve incomes through sustainable natural resource management.

The criteria for activities to be developed and financed under this results package are:

B.1. Essentially regional in nature.

B.2. Rural resource users will participate as contributors and beneficiaries in the economic development of the region through adoption of CBNRM practices.

B.3. Activities also should meet one or more of the following:

B.3.a Identification and dissemination of technologies appropriate for adoption by rural resource users.

B.3.b Assists in the inventory of resources by and for communities.

B.3.c Analyzes and disseminates information of improved resource management practices.

B.3.d Identifies systems of best practices, including identifying critical incentives for communities that successfully organized for CBNRM, management approaches used by the communities, and the positive and negative influence of their interactions with outside forces

B.3.e Establishes sustainable mechanisms for transferring information on technology and best practices.

In order to achieve the IRs within the stipulated time-frame, USAID/RCSA will continue to fund a number of projects currently underway and consider a number of new activities. USAID assistance has concentrated on improving the effectiveness of regional research and training and on promoting community-based natural resources management in areas unsuitable for intensive agriculture. New activities financed under this SO encourage a greater role for the non-governmental sector in disseminating new technologies and practices, and in the analysis and development of appropriate environmental policies and strategies.

NRM Activities presently funded by the RCSA which will contribute to the attaining SO 3 are:

Natural Resources Management Project (NRMP): to improve the social and economic well being of residents of targeted rural communities by implementing sustainable community based wildlife conservation and utilization programs. Completion date: 8/99.

Improved Environmental Policy and Planning (NETCAB): to enhance the capacity of Southern African government institutions and NGOs to address environmental policy and management issues relevant to increasing natural resource productivity through coordinated, regional initiatives and networks. Completion date: 9/2000.

C. New Activity: Southern Africa Regional CBNRM Network

A third, and new activity to be implemented under RP 3.2 is the development of the Southern Africa Regional CBNRM network. This network, building on efforts already underway, will bring together the government agencies, private sector, NGOs and CBO representatives to more effectively share information and to identify new ways in which these partnerships can be mutually reinforced. Cooperation will focus on integrating rural resource

users into the economy, enabling them to apply new technologies and management practices to produce higher incomes and more sustainable natural resource management. The network will facilitate more direct cooperation between CBOs and the private sector.

International and regional NGOs that have been promoting and assisting implementation of CBNRM in Southern Africa will continue to provide leadership in developing the network. The network will evolve however from the current focus on promoting CBNRM to one that facilitates cooperation in development of productive business linkages.

The private sector is expected to participate and support the network because it will assist in the efficient expansion of business into new areas. It is expected that government agencies will support the network because it provides an effective means getting feedback on desirable changes in policies and programs, and of communicating development opportunities to all interested parties. NGOs will support the network because it enables them to be more effective in achieving current program objectives, of identifying new program opportunities and of influencing policy changes.

CBOs will support the network because it enables them to more directly access information and establish essential market linkages to increase incomes from sustainable management of natural resources. All network participants are expected to increase their contributions in cash or in kind to make the network self sustaining.

USAID/RCSA, in addition to supporting the networking, will provide a technical assistance team to assist network leaders and members in identification and testing of technologies and best practices.

This team will bring expertise to the network on proven technologies for resource inventories and natural resource management practices. They will assist assessing practices that are being employed throughout the region to help identify those that offer the greatest potential for adoption and replication in other areas. They will assist in testing the application of technologies that offer promise but are not yet validated as a workable set of practices that the CBOs can follow. They will help CBOs integrate business management practices within their activities. They will, furthermore, bring knowledge of what others have found in both successes and failures in other parts of the world to the table, and assist members of the Southern Africa CBNRM activity both take advantage of and contribute to international efforts for more sustainable natural resource management

D. Policy Activity

In addition to the activities to be undertaken under the two results packages discussed above, there will be a policy activity that will both complement and help to link SHARP and CRP.

A small policy group, managed by the SO 3 team will work with a SADC task force to identify and prioritize policy constraints for resolution. They will both conduct and support analysis and dialogue to evolve actionable policy solutions. Policy reforms will be communicated through the RP 3.1 and RP 3.2 networks to all concerned.

E. Other Activities in Support of the Strategic Objective

USAID/RCSA, SADC and the member countries have a large number of ongoing activities that complement activities financed under this agreement, and which are being implemented concurrently. Some of these activities

are discussed above under the results packages which they complement. Others are broader in nature and include the following.

Support for NGOs is being provided under the activity Strengthening Regional Economies Through NGOs(STRENGTH). This activity will provide grants to both local and international NGOs who will take a regional approach to addressing specific results which will contribute to the achievement of SO 3 and the related IRs.

USAID and SADC have entered into a limited scope agreement to implement the Regional Activity to Promote Integration Dialogue and Policy Implementation(RAPID). This activity will support both results packages and the policy activity by financing workshops, conferences, short focused studies intended to broaden stakeholder participation in regional policy discussion and to assist in implementing regional protocols and policy agreements.

Monitoring of progress and the collection of information for establish regional development information data bases will be assisted by the IMPACT activity. IMPACT is being implemented under the RCSA Special Objective B.

USAID bilateral missions in the region have Agriculture and CBNRM activities which are addressing national agriculture and NRM issues. The regional activity supported by this agreement will complement those activities by bringing the implementors into the regional networks.

USAID also supports Africa wide initiatives managed by USAID's Africa Bureau and global agriculture and resource management activities managed by USAID's Global Bureau. RCSA will develop links between these broader initiatives and those in southern Africa through various networks and by buying-into the services offered by those programs.

VII. FINANCIAL PLAN

A. Illustrative Financial Plan

The illustrative financial plan and obligation schedule is attached as Tables 1 and 2. This plan will be updated through SOAG amendments, or through SO Implementation Letters. Changes may be made to the financial plan by written agreement of representatives of the Parties without formal amendment to the Agreement, provided that such changes do not cause USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement. Future obligations of funds are subject to the availability of funds and execution of an amendment to this Agreement.

B. Procurement Procedures

USAID will contract directly for technical assistance, commodities and equipment, and training services, and will award grants or cooperative agreements as necessary to achieve the results described above. USAID will procure such goods and services, and award such grants and cooperative agreements, and manage such contracts grants and cooperative agreements, including making payments thereunder, in accordance with Applicable USAID regulations, policies and laws. In all cases, SADC will be informed and have the opportunity to review and comment on the appropriateness of the procurement or assistance to a grantee.

ANNEX B

SO3 TEAMS, PERSONNEL AND AUTHORITY

SO3 TEAMS, PERSONNEL AND AUTHORITY

I. BACKGROUND

The SO 3 team will be organized into several levels to effectively manage resources and activities required to achieve the Intermediate Results and the Objective. There will be an SO Core Team and an Expanded SO team. From within the SO Team, two results packages teams will be organized and each of those will be organized into core and extended teams.

The SO Core team will include:

- Senior Agriculture/Natural Resources Development Officer(USDH), SO team leader,
- Natural Resources Development Officer(USDH .25fte),
- Natural Resources Officer(TCN/PSC) CBNRM Results Package(CRP),
- NRM technical advisor(USPSC),
- Policy and Agriculture Trade advisor(USPSC .25 fte),
- NGO (STRENGTH) Program Specialist (.3 fte),
- Project Development Officer(s)(.5 fte),
- Program Officer(.1 fte),
- Regional Contracting officer(.15 fte),
- Contracting Specialist(SO3 program funded PSC),
- Financial Analyst(.5 fte),
- Regional Legal Advisor(.1 fte),
- Reg. Contracting Officer(.15 fte),
- Program Management Assistant(.15 fte).

The Core team will be made up of RCSA employees who will work together to see that USAID resources are used in accordance with USAID rules, regulations and policies and that the SO activities are implemented as quickly and effectively as possible. They will plan, review and approve activities. They will manage contracts, monitor and report results. Finally they will schedule and manage evaluations and audits as may be needed. The core team will also include as virtual or remote members an Agriculture Development Officer and a Natural Resources officer from AFR/SD/PGSE(.2 fte each) Their principal function will be help the SO team take advantage of and coordinate RCSA activities with those of the Africa and Global Bureaus.

The SO Core team will also organize and seek the help and cooperation of an *Expanded SO Team* to include USAID's partners and customer representatives(see CSP for list) of the USAID bilateral missions in the region, and other donors. The Expanded team will meet at least once a year and review progress in meeting targets and CSP performance.

A.Results Packages Teams

will be organized from within the SO team to manage sets of similar activities, requiring similar skills and involving closely related intermediate partners and customers.

The Smallholder Agriculture Results Package (SHARP) and Community Based Natural Resources Management Results Package (CRP) teams will be similar in that they will each be led by a senior experienced technical officer and assisted by the Contracting Specialist, Financial analyst, NGO specialist Project Development Officer and Program Assistant from the SO team. The SHARP team will include the Policy and Agriculture Trade advisor. The CRP team will include the NRM technical advisor(s).

These teams are organized for efficient management of similar activities, many of which involve the same partners. They will be delegated the authority necessary to design and implement activities under the review and guidance of the SO team.

The RP teams will each organize and work with an Extended RP Team made up of the senior representatives of principal USAID SO 3 partners. The extended teams will meet at least bimonthly to review progress, coordinate activities and share ideas as to how best achieve the desired results.

The RP 3.1, SHARP, Extended Team, in addition to the core RP team will include:

- SADC technical representative
- SMIP Program Manager
- SARRNET Program Manager
- Small Holder Agriculture Marketing network Contractor COP
- Other Activity leaders as may be identified (eg RAPID)
- USAID Bilateral mission and AFR/SD Ag officers will be virtual team members,

The RP 3.2, CRP, Extended team, in addition to the core RP team will include:

- Regional CBNRM activity program manager,
- Botswana CBNRM Contractor COP,
- NETCAB/IUCN program manager,
- NRM policy advisor
- USAID Bilateral mission and AFR/SD NRM officers will be virtual team members,

The Policy Activity to be implemented under SO 3 is seen as overall reaching and linking the Agriculture and NRM activities and therefore will be managed directly by the SO team with the SO and RP team leaders sharing in responsibility to see that the policy group is working effectively with the SADC representative, national policy analysts and decision makers and with the two results packages teams who will be confronting policy issues and will be able to help define priorities for action.

B. Delegations of Authority

RCSA has relegated to SO team leaders the authority needed to design, implement and monitor the achievement of their SOs under Notice No: 97:067 dated September 29, 1997. The SO Team Leader will relegate authority as appropriate to the RP team leaders when they have been identified and the RP teams formed. In view of the Agency emphasis on empowering teams, the clearance matrix of Notice 97-067 will be interpreted to mean that the clearance by offices indicated will be satisfied by the clearance of that office's representative on team.

ANNEX C

MONITORING AND EVALUATION PLAN

MONITORING AND EVALUATION PLAN

I. BACKGROUND

The ADS section 203.5.5(b) provides the following guidance for Performance Monitoring Plans:

Information included in a performance monitoring plan shall enable comparable performance data to be collected over time, even in the event of staff turnover, and shall clearly articulate expectations in terms of schedule and responsibility. Specifically, performance monitoring plans shall provide a detailed definition of the performance indicators that will be tracked; specify the source, method of collection and schedule of collection for all required data; and assign responsibility for collection to a specific office, team or individual.

The ADS section 203.3.7 defines the SO teams responsibility for monitoring and evaluation as:

- f) monitoring, analyzing and reporting on performance against established performance criteria, and taking corrective action as necessary;*
- g) using evaluative activities to determine why assistance is or is not achieving intended results;*
- h) recommending to the operating unit any changes to an objective or the strategic plan;*

The SO team will be responsible for seeing that performance data is collected annually from a variety of sources to measure progress towards the achievement of the SO and IRs. A contractor has been engaged by USAID under the IMPACT activity of Special Objective B of the RCSA strategy to collect data required to measure progress in achieving the Strategic Objectives and Intermediate Results. The SO team will work with the SPO B contractor to assist where needed in defining data requirements, agreeing on collection procedures and schedules and insure cooperation of the SO 3 activity managers and personnel in collection of the required data. Each activity will collect data and report semi-annually to the SO team on progress in accordance with its respective results, benchmarks and established indicators. An annual Expanded SO 3 Team meeting of USAID, SADC and other partners participating in the implementation of the SO will be held to, among other things, review progress and identify modifications in activities and approaches.

After three years of program implementation(2001), RCSA and SADC will conduct a comprehensive review to assess progress made, the validity of assumptions, the overall quality of activity implementation and the potential for future progress. If warranted, changes will be made in the results framework and in the activities planned or being implemented. The results of this review will also be used by RCSA in developing its next strategy and in identifying objectives and results that may be achieved.

As may be necessary and to complement the monitoring program, evaluation of specific activities, results packages or the entire program may be scheduled as needed. Such evaluations will be structured to answer specific questions related to the achievement of the SO and must be justified, *i.e.* potential value must exceed costs of the evaluation.

Financial audits of the activities will be conducted in accordance with standard procedures. With Respect to all recipients receiving funds directly from USAID under the Agreement, the USAID agreement with these recipients will contain appropriate audit requirements and funding for such audits where appropriate.

The SO team will formally report on progress to RCSA semi-annually: a comprehensive report on progress in achieving results will be made in connection with the RCSA R4 preparation and an interim progress report on activities and progress will be submitted in August.

D R A F T: Proposed Indicators for SO 3.

II. Strategic Objective *Accelerated regional adoption of sustainable Agriculture and Natural Resource management approaches.*

The SO level Indicators of success will be:

- II.1 Increase in the total area in the region under CBNRM. (Preliminary target is 10 million ha by 2000 and 20 million ha by 2003)
- II.2 Increased income of CBNRM communities from their community managed resources. (Preliminary target is \$10 million by 2000 and \$40 million by 2003)
- II.3 Number(male/female) and percent of smallholders and rural resource users in selected areas adopting new technology or practices identified in USAID supported activities capable of sustainably increasing average productivity or profitability by at least 25 percent. (Preliminary target is 500,000 smallholders by 2003 and 20% of the farmers in areas that have been targeted for 3 years.)
- II.4 Number of CBOs in selected areas.

A. Intermediate Result (IR) 1: Function systems in place for transferring Agriculture and Natural Resources Management (NRM) technologies and best practices across the region.

Indicators of Success:

- A.1 Number of sustainable smallholder agriculture regional networks that:
 - a) are organized and functioning with private sector, government research and technology transfer agencies, NGOs and Farmer Representatives;

- b) have an operating plan that will identify sufficient local resources to sustain the network;
- c) are implementing their operating plan with 50% of funds sourced locally;
- d) able to function without international support. (Target: Three new or revitalized networks functioning and two have adopted a plan for sustainability by 2000; by 2003 there will be 4 at/past level "a", two at/past "c" and one at "d.")

A.2 Number of people and organizations(gender desegregated) participating in the networks and percentage who find the Network to be providing useful information. (Preliminary target is 20,000 people and 400 organizations participating in the Networks with at least 50% finding the participation helpful to themselves by 2003. Participation is defined to cover a broad range from those contributing time and money to making the network down, to those who are enrolled to regularly receive information from the network. Gender desegregated data for organization will identify the number of participating organization that have identified and are addressing gender issues in their programs.)

A.3 Regional CBNRM network organized, identifying and communicating best practices and assisting CBO's of rural resource users to apply sustainable technologies for increasing their income through CBNRM. (The preliminary targets for this indicator are qualitative measures of institutional strength of the networks. The functions to be achieved are:

A.3.a organized and functioning with private sector, government research and technology transfer agencies, NGOs and CBO representatives by 1999;

A.3.b defines an operating plan that identifies sufficient local resources to sustain the network and adopts a communication strategy for the network participants and SO 3 customers by 2000;

A.3.c implement its operating plan with 50% of core operating funds sourced locally by 2001.

A.3.d able to function without international support

B. Intermediate Result IR2: An enabling environment which promotes increased incentives for small holder and communities to adopt sustainable Agriculture and NRM technologies and approaches.

Indicators of Success:

B.1 Establishment of a regional system of cooperation in policy reform based on analysis and dialogue. (Targets are the benchmarks listed below:

B.1.a creation of a regional SADC task force (Permanent Secretary or higher level) by 1999;

B.1.b identification and prioritization of constraints inhibiting development of sustainable smallholder agriculture or inhibiting community management of natural resources by 2000.

B.1.c agreement within a policy network to seek changes based on analysis and dialogue stakeholders that will relieve/resolve of constraints, by 2000;

B.1.d development of model legislation or best practices to address identified constraints.

B.1.e acceptance of policy reforms accepted.

B.2 Increase in availability and reliability of regional data supporting policy, research and market linkages. (Preliminary performance targets are qualitative and include:

B.2.a identification of existing data bases which are being actively maintained by 2000;

B.2.b organization of a working group to review quantity and quality of data available, prioritized data bases to be maintained and identify the institutions that would cooperate in maintaining the system by 2001;

B.2.c standardization of data collecting and reporting systems to improve comparability of data across the region;

B.2.d availability of data bases available to the public being maintained and updated by local institutions to support policy development and open competitive markets by 2003;

B.3 Increase in market links available to rural resource users measured by the value of selected goods and services marketed by rural resource users and smallholders (tourism, sorghum, millet and cassava). (Preliminary target is \$xx million by 2000 and \$yy by 2003.)

ANNEX D

CUSTOMER AND SERVICE PLAN

CUSTOMER SERVICE PLAN (CSP)

USAID/RCSA Strategic Objective 3 (SO3): Accelerated Regional Adoption of Sustainable Agriculture and Natural Resource Management Approaches.

I. PURPOSE

The purpose of this CAP is to specify the vision, principles and operating plan for including customers/intermediate partners in developing, implementing, monitoring and evaluating SO3 program results and activities.

II. MISSION

SO 3 Team (SO3T) members pledge to be responsive to SO3 customers by assisting them to sustainably manage the surrounding natural resource base in a manner that increases ultimate customer incomes and well-being. This will be achieved through assistance intended to:

- II.a. Increase access to markets.
- II.b. Increase capacity to inventory, audit and analyze alternative uses of natural resources.
- II.c. Facilitate access to improved technologies and best practices.
- II.d. Develop a policy environment for sustainable management and productive use of the natural resource base.
- II.e. Increase indigenous knowledge of the region's natural resource base and sustainable productive-use alternatives.

III. CUSTOMER SERVICE PRINCIPLES AND STANDARDS:

In delivering services, SO3T members pledge to:

- III.a. Involve our customers in planning, designing and carrying out our activities.
- III.b. Treat our customers with respect.
- III.c. Provide lines of communication so that partners know the principal contacts for each activity in the SO.
- III.d. Use language that our customers can easily understand.
- III.e. Promptly respond to customer's request for information.

III.f. Establish and communicate procedures for responding to customers' requests for assistance.

III.g. Minimize reporting requirements.

III.h. Increase communication levels with customers.

III.i. Identify and address the Gender issues that relate to the accelerated adoption of technology and best practices for agriculture and natural resources management.

IV. DEFINITIONS:

Customer: An individual or organization that receives SO3-assisted services or products intended to generate a direct benefit.

Intermediate Customer: A person or organization that benefits from SO3-assisted services or products and also participates in providing services or products beneficial to ultimate customers.

Ultimate Customer: The end user and primary intended beneficiary of SO3-assisted services or products.

Customer Representative: Individuals and/or organizations that represent the interests of intermediate and/or ultimate customers.

Partner: An organization or intermediate customer with which SO3 collaborates to achieve mutually agreed objectives and/or intermediate results.

Participation: The active engagement of partners and customers in sharing ideas, committing time and resources, making decisions and taking action to bring about a desired development objective.

Strategic Objective Team: The group of USAID personnel, partners and customer representatives who share a commitment to achieving the SO3 objective and results, and agree to work together with the planned resources for that purpose. SO3T is subdivided into:
1) the core team within USAID that assumes direct responsibility to manage USAID/SO3 resources and to be held accountable for achievement of planned results; 2) the expanded team includes partner and customer representatives committed to achieving SO3.

Natural Resource Base: The land and water, and the plants and animals which they support

V. SO3 CUSTOMER SERVICE CHAIN:

1. ULTIMATE CUSTOMERS:

1.a. Members and potential members of Community Natural Resource Management Organizations(CBOs).

1.b. Smallholders and members of Farmer Base Organizations(FBOs)

2. INTERMEDIATE CUSTOMERS:

- 2.a. Rural community groups engaged in management of natural resources
- 2.b. Smallholder/farmer organizations
- 2.c. Agribusinesses
- 2.d. The Southern Africa Development Community (SADC) and SADC Sector Coordinating Units (SCU"s) that share objectives and intermediate results of SO3.
- 2.e. SADC member country government agencies that actively participate in planning and/or implementing programs impacting on SO3. These may include:
- 2.f. National Agriculture Research services
- 2.g. Extension services
- 2.h. Land and/or natural resource management agencies
- 2.i. Relevant policy units
- 2.j. Ministries of Agriculture, Environment, Trade, Finance, Commerce and others that may participate.
- 2.k. Selected Non-government Organizations (NGOs) including international, regional and local NGOs that actively participate in planning and/or implementing the SO3 strategy.
- 2.l. Training institutes, both private and government.
- 2.m. Universities and their faculty members, particularly those engaged in research (including policy analysis) and networking related to sustainable agriculture and natural resources management.
- 2.n. Tourism-based organizations.

3. PARTNERS:

- 3.a. SADC
- 3.b. International Agriculture Research Institutes (IARCs), primarily ICRISAT & IITA
- 3.c. Other Donors (European Union, World Bank, GTZ, CIDA, FAO, DANIDA, DEFID, NORAD, others)
- 4.d. USAIDW: AFR/SD, G/ENV/NR, G/EG/AGR

VI. OPERATING PLAN FOR CUSTOMER SERVICE:

A. Background: SO3T has held a series of workshops throughout the region to identify constraints to more rapid development of productive activities of ultimate customers based on sustainable utilization of agricultural and other natural resources. Some of these workshops were hosted by USAID/RCSA while others were conducted by partner organizations. Intermediate and ultimate customers and their representatives participated actively in these workshops. Additionally, field trips were made by SO3T members to actual and potential activity sites throughout the region to consult with customers, their representatives and key informants. The identified customer needs, alternative activities to address those needs, and desirable results to be achieved in meeting those needs are the basis for USAID/RCSA strategy.

B. Customer Participation in SO3 Design, Implementation, Monitoring and Evaluation:

SO3T members will continue to consult with partners and customer representatives, explaining and refining the SO3 Results Framework. These consultations are intended to better specify indicators and to assure

active customer and partner participation in design modifications for improved implementation of SO3 activities.

Customer representatives will be consulted about matters related to monitoring, evaluating and modifying results packages and intermediate results.

As a prerequisite to approval, all proposals for funding of specific activities or sets of activities must include documentation of customer participation in design of the activity. An activity-level CAP for continuing customer participation in planning, implementation, monitoring and evaluation is required as an integral part of all activity implementation agreements.

Customer representatives will be included in the expanded SO3T. At least one annual results review meeting will be held to obtain customer feedback and suggestions for program and/or activity improvement. At this meeting, the CAP will be reviewed and revised as may be found necessary to improve customer service under this SO.

When visiting activity sites, SO3T members will discuss customer participation with key informants and also will carry out informal consultations with customers. Trip reports will document customer feedback

VII. CONTACT PERSONS FOR CUSTOMERS/PARTNERS.

The principal USAID contact person for SO3 in USAID/RCSA is the Team Leader. SO3T members may be assigned principal contact responsibilities for activities for which they have direct management responsibility. Vouchers from partners should be sent directly to the USAID Controller to initiate processing.

Names of core and expanded SO3T members, current management responsibilities by activity, and contact information for each are included in the attached SO3 Team Directory. The Team Leader will assure that the USAID/RCSA SO3 team directory is updated at least annually with current information about SO3T members.

STRATEGIC OBJECTIVE

Accelerated Regional Adoption of
Sustainable Ag/NRM Approaches

DRAFT

3. CONCEPT PAPERS FOR POSSIBLE SO3 ACTIVITIES

3. CONCEPT PAPERS FOR POSSIBLE SO3 ACTIVITIES

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3. CONCEPT PAPER FOR POSSIBLE SO3 ACTIVITIES

I. STRENGTHENING PRIVATE SECTOR RURAL ECONOMIC GROWTH SUPPORT SYSTEMS: AGRICULTURAL TECHNOLOGY TRANSFER

A. Background

Over the years, USAID and other donors have invested substantial resources in developing and strengthening public sector agricultural technology transfer (ATT) services for small farmers. The results in Southern Africa and most developing countries have ranged from discouraging to ineffectual.

Because of similar disappointing results in other regions, USAID and other donors have experimented with a number of private sector mechanisms and systems for providing ATT services to small farmers. Some of these experiences have been quite successful. Perhaps the oldest operating system originally assisted by USAID is in Colombia, where a fee-based private sector ATT service system linked to small farmer crop and livestock credit has functioned for 20 years.

Other Latin American countries (e.g., Peru, Guatemala and Honduras) have had positive experiences with shared public/private systems and/or cooperative and credit union-based ATT services. Likewise, there have been positive experiences where processors and/or exporters of nontraditional products provide ATT services (often with other specialized input services) to contract growers who grow for them or for others.

B. ATT Variants

Some variants on private sector ATT systems are:

B.1. Input supply firms may offer ATT as a supplemental customer service to the sale of inputs. Rather than charging a fee, ATT service costs often are considered as a cost of doing business and, as such, are added to the price of inputs sold.

B.2. Agricultural output marketing firms offer ATT services in conjunction with a contract (or opportunity) for purchase of the farmer's production. This type of ATT service provider may charge a fee for these services and deduct it from the purchase value of the farmer's output, or it may be treated as a cost of having an assured supply of product. Also, input suppliers and marketing/processing firms sometimes team up to provide ATT services to their customers.

B.3. Development assistance NGOs may organize and manage provision of ATT services, preferably on a declining share-of-cost basis.

B.4. Individual agricultural extension specialists (e.g., agronomists/zootechnics, or groups of these) may offer ATT services to individual farmers or groups of farmers on a fee basis, often in collaboration with one of the above private sector actors or with a public agency that defrays a share of the costs (preferably on a declining basis).

B.5. Small farmers may be organized as informal groups or as primary cooperatives to provide support services (e.g., input supply, output marketing, etc.) to their members; they may offer direct ATT services or contract ATT services for members.

B.6. Some public extension services, instead of directly employing extension agents to work with farmers, have established a fund to defray all or a part of the costs when farmers contract ATT services from private sector individuals or firms (often these may be ex-extension agents of the public extension service). The public extension may offer subject matter specialists as back-up for private sector ATT service providers. Cost sharing may be done as a gradually reducing portion of total cost until farmers and private sector ATT providers alike are "weaned" within 4-6 years.

B.7. A mix or combination of the above systems.

C. Grant Activities

It is proposed that SO3 SHARP include a grant activity or sub-activity, probably implemented through a USPVO, that will carry out the following actions (estimated time-lines are included):

C.1. Analyze the institutional, technical and economic feasibility of alternative models for use across the region to develop a private sector fee-based system of professional/technical ATT service providers for smallholders (year 1).

C.2. Select and assist to pilot test promising institutional and organizational models for delivering fee-based ATT services to smallholders (years 2-3).

C.3. Develop and pilot test one or more mechanisms (designed to eventually become self-sustaining) for initial and continuing short-term training of actual and potential professional/technical ATT service provider individuals (yrs 2-5).

C.4. Develop and pilot test a mechanism for initial certification (and annual re-certification based on performance) of individuals as ATT service providers to smallholders. Certification would not be a pre-requisite to offer services, but rather would be like a "Good Housekeeping Seal of Approval", so those who contract for ATT services would have a means of judging effectiveness and reliability (years 2-5). Certification and self-policing could eventually be carried out by a professional association of ATT service providers.

C.5. Develop pilot test and operationalize a regional mechanism for providing start-up costs to multiply tested models of fee-based private sector ATT services to smallholders (years 2-5). Client access to this fund could be conditioned on certification and annual re-certification of the ATT service provider. A recertification fee could be charged, part of which would augment the start-up fund.

Some variants for financing can include linkage with national agricultural development banks, smallholder and/or micro-enterprise credit organizations, other formal/informal smallholder credit systems; the fee for ATT services then can be added to the loan as a cash input cost, or paid from a part of the interest charge. Another option to explore is for the ATT provider to agree to a formula fee, e.g., a percentage (e.g., 5-10%) of increased value of production or net income realized by the smallholder.

Illustrative staffing, partners and customers could be as follows:

D. Staffing, Partners and Customers

D.1. US Grantee.

It is likely that this will be a sub-activity of a more comprehensive small farmer services organization activity. An estimated one-third time of each of three resident specialists with experience developing such systems: one in organizing smallholders for providing member support services; one in growing of marketing firms (input supply/output marketing) to offer complementary support services; and one in communications/training to prepare persons for establishing fee-based private sector ATT service provider enterprises (individuals and firms).

At least six Southern African counterpart staff: agronomists, agricultural economists and/or agricultural business specialists, familiar with agricultural production, credit, marketing and processing in the region.

D.2. Staff of Other Partners and Intermediate Customers.

In several (if not all) countries of the region, these would be assigned to implement pilot activities; first line would be Southern African regional/national NGOs that work with smallholder groups or with agribusinesses, micro-enterprises and/or credit providers which have or will seek smallholders as customers. Other possible partners/customers may include regional scope agribusinesses willing to seek smallholders as clients and customers; already established farmer cooperatives that count (or seek to count) smallholders as a major pool of customers; national public sector extension agencies disposed to experiment with sharing costs of privatized ATT services to smallholders. Networking of these actors will be a major tool for furthering initiatives for multiplying private sector ATT service providers across the region.

D.3. Ultimate customers are members of smallholder groups, either informal groups organized to obtain ATT services or formal multi-purpose service organizations, with potential to utilize ATT assistance to improve their agriculture-based family incomes.

Estimated costs for a five year program are:

D.1.a. One-third of the time of three specialists: \$300,000/yr.

D.2.b. Direct financial support to intermediate partners/customers for piloting, training, etc.: \$100,000/yr for years 2-5.

D.3.c. Initial start-up assistance trust fund capital: \$100,000/yr for years 2-5.

D.4.d. Five year total: \$2.3 million

II. ENABLING RURAL ECONOMIC GROWTH: FACILITATING CONDUCTIVE POLICIES

A. Background

Cumulative development experience throughout the world confirms that a framework of conducive policies is a necessary and fundamental condition to enable sustainable rural economic development. During the past decade, some countries in the SADC region took tentative steps in adopting market liberalization measures that began to reverse the usual "command and control" policies for agriculture, especially marketing and price policies for basic foodstuffs.

In recent years, agricultural market liberalization in these countries has suffered setbacks in response to widespread droughts and civil disturbances across the region. This backsliding only served to magnify market uncertainties and disruptions, and, in some cases, contributed to virtual disintegration of domestic production systems, supply sources and market flows.

B. Policies

SADC trade protocols provide a point of entry for regional level initiatives to encourage and facilitate accelerated and harmonized agricultural and foodstuffs market liberalization. Similarly, most observers agree on the need for liberalization of a number of other policy areas that impact on sustainable management and economic utilization of agricultural and other natural resources across the region. Policy areas impacting on natural resource-based rural economic growth and development that require attention, include the following:

B.1. Policies that reduce distortions in rural factor markets, including rural labor markets.

B.2. Policies that reduce distortions and that require pricing of publicly or commonly held natural resources such as forest products, water, wildlife habitat, common/public rangeland, etc., to be based on the economic scarcity value of the resource.

B.3. Commercial policies related to AG/NRB trade need to be harmonized across the region to facilitate the flow of rural-based goods and services throughout the regional market and to reduce transaction costs. The region should work towards uniform commercial codes to have common rules for contract

enforcement in rural product and factor markets, and to increase access to legal protection for rural producers

B.4. Policies that increase security of tenure, establish and/or strengthen legal definition and documentation for marketable interests in land, facilitate an active land market, and facilitate management control by local communities over surrounding commonly-held and public/state-owned natural resources.

B.5. Policies that harmonize and reduce costs of financial intermediation within and across boundaries, and that facilitate private sector production, marketing and processing (PMC) credit systems that serve rural resource user communities, smallholders and related providers of goods and services

B.6. Regional trade policies that eliminate discriminatory treatment against small firms seeking to enter regional markets related to AG/NRB goods and services.

B.7. Uniform codes for cross-border trade and sale/use regulation of agricultural chemicals, fertilizers, plant and animal introductions, etc.

Harmonization across the region of policy improvements in most of the areas indicated above offers much greater benefits than if the changes take place on an ad hoc basis in only one or a few countries of the region.

SO3 will assist to establish regional public/private sector networks to promote 1) collaborative multi-national policy analysis and related information exchange throughout the region, and, 2) policy dialogue among decision-makers, opinion leaders and other stakeholders across the region to facilitate the process of improving and harmonizing policies.

SO3 will work closely with SO2 in defining network structures and actors, especially where trade and commercial transaction policies affect trade and investment more broadly than AG/NRB economic activities. An important contribution of this activity will be to assist the countries of the region to anticipate and alleviate transitional problems that undoubtedly will emerge as policy changes are approved and implemented.

SADC will be the primary public sector partner for this activity. During activity design, discussions will be held with the SADC Executive Secretariat to identify and agree upon regional mechanisms to provide start-up guidance, financial support and leadership in establishing two or more AG/NRB policy improvement networks.

A possible option would be for SADC to create a public-private sector AG/NRB policy improvement "task force". This task force will take the initiative to encourage and facilitate formation of networks to assist in achieving an improved policy environment conducive to region-wide accelerated broad-based rural economic growth and development. The task force will have a limited life (5-10 years) during which it will provide leadership and a high-level forum for initiating and ensuring continued viability of the proposed AG/NRB policy improvement networks.

A regional platform for this purpose has a number of advantages. It can bring "peer pressure" to bear in

encouraging policy change actions by less intrepid member countries. Likewise, if all or several countries across the region commit to uniform changes, risks of negative "spill-over effects" to or from neighbors are reduced.

Additionally, when this occurs, no single country assumes undue costs or risks of policy experimentation. Acting in concert can enhance political will of an individual country that would not risk acting alone.

C. Targets

By the end of the strategy period, at least two networks will be functioning, and will be sustainable without continued SO3 support. The "Policy Analysis Network" (PAN) will include public and private sector stakeholders in AG/NRB policy change, with special focus on those organizations and persons with AG/NRB policy analysis capacity and/or willingness to support policy analysis. This network is basically a technical support network to the Policy Dialogue Network (PDN), described below. Targets for achievement by PAN (in close conjunction with PDN) might be:

C.1. By the end of year one, have completed a policy framework for analysis, and an initial policy inventory, including definition of important AG/NRB policy improvement areas that fill the following requisites: 1) require analysis to support appropriate changes, and, 2) lend themselves to a regional approach for optimizing benefits.

C.2. By the end of year two, have completed assessments of expected regional impacts of changes and feasibility of achieving changes; based on these assessments, have prioritized and sequenced an agenda of policy areas for change over the ensuing three years

C.3 By the end of year three, for the first two prioritized policy areas, have completed impact analysis, transition strategies, formulation dialogue and draft formulation completed, and with final decision-making dialogue under way.

C.4. Each year thereafter, one to two policy change areas would reach a similar stage of progress.

The above targets do not call for actual adoption by member governments of the policy changes substantiated and presented for consideration. That step involves political decisions outside the scope of results that can be expected from a collaborative technical and coordination effort as in this activity. Yet, this activity will make critical contributions to the policy decision-making process, and these contributions will greatly enhance the probability of favorable political decisions to adopt the improved policies.

The second network, i.e., the PDN, will include representation from the PAN, but will be more directly focussed on public and private decision-makers who represent key stakeholders affected (positively or negatively) in some significant way by AG/NRB policy improvement. In fact, this network likely will operate at two levels, one being a more general network with representation from a broad spectrum of stakeholders (i.e., those who are potentially impacted either negatively or positively by such policy changes), and the other being a more select group of high-level public and private sector decision-makers and opinion leaders, who assume the decision role in the final political process for sanctioning formulated and dialogue changes.

The dialogue process will be sequential, first among the broader base of stakeholders, who will participate during the policy formulation/reformulation stage, and then move to the higher level where dialogue will guide final formulation adjustments for formal introduction into appropriate policy-making channels (e.g., ministry, executive, legislature).

SO3 will finance personnel and related support costs to provide at least three international AG/NRB policy improvement specialists: two in analysis and one in formulation/dialogue. Additionally, resources will be provided on a declining share basis to facilitate initial participation in the networks.

Bilateral missions, member governments and private sector stakeholders will be expected to share in costs associated with both policy analysis and dialogue networking. Total costs are estimated at \$1.2 million/year for the strategy period.

III. SOUTHERN AFRICA CBNRM NETWORK

A. Background

USAID has funded a Community Based Natural Resources Management (CBNRM) Project since 1989 to test the viability of community based natural resources management as a strategy to raise community incomes while sustaining natural resources. The Natural Resources Management Project (NRMP) has succeeded in funding pilot efforts that demonstrate sustainable community based natural resource management as a potential economic development and biodiversity strategy.

Continued assistance for a regional natural resources program is warranted as environmental degradation and rural poverty persist throughout Southern Africa. A follow-on RCSA natural resources management program is planned for 1999.

The RCSA follow-on program will focus its assistance on priority ecological zones in the region. It will require scientific selection and identification of the region's critical and sensitive habitats necessary for maintenance of biodiversity. Activities to promote *participatory* sustainable use programs in selected ecological zones will then be applied according to the area's needs, usually through an NGO.

B. Recommendations

Recommendations to enhance support to NGO capacity building and training for CBNRM, and to assist in the development of an *NGO umbrella structure* are found in the: Final Evaluation of the Botswana NRMP (1977), in the: Assessment of Community Based Natural Resource Management program Activities (1998) and, in the: Concept Paper on Community Based Natural Resource Program (1977).

There are numerous organizations involved at some level or other with CBNRM activities. Not all these organizations are well placed to be working at the regional level as their focus is local in scope but many are evolving in that direction. As we enter the coming millennium it is increasingly obvious that natural resource management challenges must be considered as regional issues, particularly because of the increasing regionalization of trade and economic policy.

Building on these and other recommendations, this concept paper proposes an activity under the NRM-RP which will support the implementation of the SO 3, and complement its activities. It is proposed that the NRM-RP include a grant activity, implemented in part by a USPVO and a regional NGO to develop and implement the "Regional CBNRM Network".

With USAID/RCSA funding, a contractor will be selected to develop and implement a regional CBNRM network - in effect, an organization of organizations. It will not be a single entity but rather, a complex web that is dynamic in both its structure and function and an organized legal entity that changes as its member groups change, as the context in which it exists change, and as capacity to fulfill its members needs also changes.

The activity will build on the initial efforts of the IUCN under the NRMP; emphasis however will be on *establishing* a operational network.

Based on a review of documentation, it is evident that there exists far greater potential for cooperation among government agencies, the private sector, NGOs and CBOs than is currently being realized both nationally and regionally.

Current communication models and organizational structures need to be improved if NGOs and other parties are to further their ability to cooperate in CBNRM. The opportunity exists for the CBNRM Network to facilitate this role. It is envisaged that the "CBNRM Network" will effectively strengthen the existing partnerships and create new ones all the while transferring CBNRM best practices to an expanding audience. Cooperation will focus on integrating rural resource users into the economy, enabling them to apply new technologies and management practices to produce higher incomes all the while practicing sustainable natural resource management approaches.

The need for the Network is based on the premise that it will serve as a system for transferring NRM best practices across the region coupled with a communication, liaison, and assessment role designed to increase the capacity of the public and private sector organizations in the region to maximize the impact of their work in CBNRM, in a measurable way, by working more effectively with partners in the region. The Network will:

B.1. Improve management capacity of NRM organizations and other parties to promote CBNRM and to assess programs and impact thereof (many NGOs have expressed a desire for help with CBNRM as well as budgeting and financial management).

B.2. Improve NGO, private and public sector organization's knowledge of current national/regional issues (many NGOs are battling with the same issues and yet unaware of potential avenues of cooperation - some may not even be aware, due to geographic distance or isolation that they are working in the same countries or working on similar projects within CBNRM; likewise governments need to extend their levels of cooperation).

B.3. Improve and provide effective communication between NGOs, governments, and academic institutions (not all NGOs or government ministries are currently using E-mail and not all e-mail users are familiar with list serves - some NGOs have WEB pages, some do not, et al); the well-functioning hub of a

network is key to making smooth links, and regular valuable communication is the essential oil of the hub.

Through the CBNRM Network, government, non-governmental, and private sector practitioners as well as academics will be able to continue CBNRM capacity enhancement efforts in the region even after the SO 3 has come to a close. It is envisaged that by end of year three, the Network will be capable of playing a sustainable role in regional CBNRM enhancement, transfer and assessment of best practices.

Once the Network has evolved into an effective decision making structure it will begin to initiate activities which the RCSA will fund¹. Finally, as the Network achieves a degree of organizational infrastructure it will begin to deliver activities using internal human resources (not the contractor) but with funding support from RCSA.

¹
Institutional development of the Network will require securing local staff; the activity will require recruiting trainees from across the region and is an important condition of its long-term viability.

Critical to the process of the network development will be a strategy of gradual "devolution" of programming responsibilities from the contractor to the Network association.

As the institutional capacity of the Network increases it is expected that it will raise funds for the support of Network activities from sources other than the RCSA.

The devolution process will facilitate the increasing financial independence by supporting jointly funded activities and a period of parallel operations. The devolution will occur over the life of the activity at a rate determined primarily by the rate at which the association increases its administrative capacity.

C. Network Goals

The goals of the Network are:

C.1. To establish itself as a functioning system for the transfer of NRM best practices; and, improved management and assessment capacity of NGOs, CBOs and other organizations, both private and public.

C.2. Improved knowledge of current CBNRM issues and dissemination thereof.

C.3. More effective communication between NGOs, CBOs and governments.

C.4. Better liaison between NGOs, CBOs and other agencies, including SADC.

C.5. Improved CBNRM data collection, monitoring and assessment of NRM practices/activities and dissemination (wildlife management; tourism and other niche markets).

C.6. CBNRM training workshops and policy forums.

In effect, the CBNRM Network seeks enhanced regional awareness and cooperation on CBNRM; improved and

accelerated region-wide CBNRM analysis, planning, implementation and assessment. The Network will directly contribute to the RCSA's mission of better managing the region's natural resource base. Reflecting the values of the RCSA, this activity is responsive to the stated needs and stakeholders in the region.

This activity also contributes to the RCSA goals of achieving broad-based economic growth and managing the environment for long-term sustainability.

D. Proposed Activities

Proposed activities of the Southern Africa Regional CBNRM Network:

D.1. Networking around management

- electronic list serve
- protocol development
- face to face intervention
- results based management
- newsletters and WEB page links

D.2. Networking around NRM

- baseline research
- pilot projects
- transferring CBNRM practices
- monitoring and evaluation

D.3. Technical Services for NRM

- financial management training
- human resource development
- project management
- monitoring and reporting
- project monitoring and evaluation
- organizational management
- environmental impact assessment

The key indicators of success is in the institutional buy in and participation of stakeholders, most importantly the NGO community. There are numerous opportunities to measure this from the very specific such as WEB site hits and number of members to more subjective analysis such as active feedback or unsolicited participation.

Budget is estimated at \$2.0 with counterpart funding set at 20%. By year 3 the Network will be self-sustaining.

Staffing:

Network Director
Administrative Director
Network Development Officer (2)
Program Officer (2)
Research Program Officer (2)
Outreach Officers (5)
Secretary

IV. SOUTHERN AFRICA ENVIRONMENTAL EDUCATION

A. Background

The 1996 SADC policy and strategy for environment and sustainable: development: toward equity-led growth and sustainable development in Southern Africa" stated that: "in Southern Africa the livelihoods and lives of many people and the economic prospects of most countries continue to be threatened by environmental degradation". The same document explored the demographic, social, economic, agricultural, technological and institutional transitions that are required to effect the switch to economically, socially and environmentally sustainable development. Education is commonly recognized as a prerequisite for personal and national development, and as an important instrument for either maintaining or transforming the status quo.

Member states of the Southern African Development Community have identified environmental education as one of the major necessities if the region is to attain sustainable united development. In a special report prepared in 1991 for the United Nation's Conference on Environment and Development (UNCED), SADC states committed themselves to increasing efforts to "build environment into school curricula at all levels and to expand the capabilities of our technical institutions and universities to provide professional training and retraining on all aspects of environmental protection and natural resources management".

Environmental education in the SADC region has its roots in education for conservation, an approach that focused strongly on the preservation of the biophysical aspects of the environment in isolation - both geographic and academic - from the human context. Education for conservation was strongly shaped by the imported ideas about and system of education that was part of the colonial legacy.

The concept of environmental education has evolved markedly over the course of the last few decades. The original focus was on the study of nature, or the natural environment, including flora, fauna, soil and water. Its strategy was to develop an appreciation of nature and its aim was preservation.

The 1970s saw the coining of the term "environmental education", and since then the concept of environmental education has been interpreted in a variety of ways, all of them including aspects of environmental science, population education and education for development.

Chapter 36 of Agenda 21 (the report of the UNCED '92 conference) states that education processes that deal with environment and development education:

"...are indispensable to changing people's attitudes so that they have the capacity to assess and address

their sustainable development concerns. It is also critical for achieving environmental and ethical awareness, values, and attitudes, skills and behavior consistent with sustainable development for effective public participation in decision-making.

To be effective, environment and development education should deal with the dynamics of both the physical/biological and socio-economic environment and human development, should be integrated in all disciplines, and should employ formal and non-formal methods and effective means of communication".

In 1993 the SADC Environment and Land Management Sector (ELMS) started a program to support environmental education processes in the region. Based on a series of reports on the "state of environmental education" in the respective SADC countries, a major shift in educational policy occurred, which amongst other things completely revised the entire junior secondary curriculum. Through the NRMP (Botswana), an environmental education advisor was employed (1991-95) to coordinate the infusion of new environmental education concepts into the curriculum (formal environmental education) in conjunction with the Ministry of Education.

B. Recommendations

It is proposed that SO 3 NRM-RP consider funding regional *nonformal environmental education* activities, that is, activities outside of the formal education system (e.g. through community learning programs). With the provision of technical assistance (from US universities, three individuals; 9 PYs; \$1M), the assistance would complement the efforts of the regional NRMP.

The activities would focus on awareness building and training in environmental education through workshops with district leaders, government representatives, community teachers as well as NGO and CBO representatives. Where necessary, certain NGO representatives would be trained as required to undertake these activities throughout the region. As per the Botswana NRMP final evaluation (1997): "...critical communication and extension functions to support CBNRM/CBO and relevant NGO activities definitely needs to be bolstered. Future activities should continue to target audiences that are known to have a multiplier effect (NGOs, teachers, district officials). Networking with NGOs and the formal education sector has thus far been very successful to overcome constraints of the government sector for quick, efficient responses".

The scope of work of the technical assistance would be to coordinate activities with SADC and work with district level conservation and/or education officers to develop a series of short, structured workshops with the goal of each workshop to produce supplemental materials for distribution; training in innovative presentation techniques (in English, Portuguese, Setswana, etc.) on NRM; assist in materials development, such as simple brochures in the appropriate language and to include topics such as veld value-added products, and the range of CBNRM options.

Explore options and produce "best fit" videos on CBNRM for distribution; explore the potential impact of radio broadcasts; and, develop a plan of action to get NRM issues into the newspapers (use of media channels).

Given that within the framework of SADC policy, environmental education falls under Objective 7: "to achieve sustainable utilization of natural resources and effective protection of the environment" the proposed activity

would serve to increase public information, education and participation on environment and development issues on a truly regional scale, all the while contributing to the SADC objective and the SO 3 mission designed to increase knowledge about the region's natural resource base, and about sustainable management, productive uses and information transfer approaches. The activity would commence in January 1999 and terminate in 2003.

V. PRIVATE SECTOR, MARKET-DRIVEN, SMALLHOLDER AGRICULTURE NETWORK

A. Background

The Southern Africa Development Community (SADC) governments and donors alike have tended to support public sector organizations in providing not only traditionally public social services paid for with tax revenues, but also in providing economic services to small rural producers. These often were justified as public services because the rural poor were seen as objects of welfare and not as potentially viable economic agents of growth. Except in special circumstances, such public services have been ineffective, high-cost, and have failed throughout the World. Experience in the SADC region is no exception.

The SO3 strategy recognizes that effective private sector organizations can and will provide, on a self-interest basis, most of the intermediate economic services required to support and service a growing rural economy.

The public sector organizations however have some roles which they must perform and others best performed in collaboration with the private sector. These include collaborative roles in market information services, sanitary inspection, technology generation and transfer, and similar services that embody a mix of economic and social services. Experience shows that the more clearly economic services, such as agri-business (e.g., input supply, credit, marketing and processing) and other market-related services, are most efficiently handled by effective private sector organizations. Additionally, private sector mechanisms often are effective conduits for technology transfer because adoption of profitable technologies and practices increases smallholder incomes and effective demand for goods and services.

There is a need to develop the private sector organizations if they are to play their proper role and free up government to play its role. A demand-driven approach is needed to support development organizations by facilitating networking among intermediate partners/customers, and through direct support to information generation and exchange, experimentation, validation and transfer of knowledge about approaches, management and planning.

B. New Activity

The development of private sector linkages supporting market driven smallholder agriculture needs to start with the largest private sector group, the farmers themselves. There are agriculture cooperatives and other Farmer Based Organizations(FBO) throughout the region. Some of these have been organized by government as conduits for subsidies or technology transfer but others have been organized to facilitate marketing. An initial activity is required to survey the region, identify where are the FBOs, what are their functions and how well they are

performing. Identifying, from this group, those organizations which are interested in being part of a regional network and helping them to advocate the development of policies, systems and approaches that will facilitate farmers organizing to gain access to markets and technology will be a major component of this activity.

One of the most efficient and cost effective ways of linking FBOs with the markets and technology is to link them with private sector agribusiness organizations. Such organizations as seed producers associations, grain millers, agriculture processors, fertilizer dealers etc. have been created to support the development of their respective industries. The leaders in such organization often recognize the advantage to themselves and the national and regional economy of promoting agriculture development. Linking agribusiness with FBOs can help the two groups to help each other in many ways. They will identify cooperative business relationships, they can identify policy constraints and advocate their resolution. Agribusiness can solve its supply/procurement problems by dealing with FBOs while farmers find better marketing alternatives. Farmers can get access to technology from agribusiness that need a consistent quality product and are willing to help the farmers to access the technology that enables them to produce it. Credit problems may be resolved by agribusiness financing production or by FBOs simplifying and shortening the procurement process for the processor/traders. Support for the develop of these organizations on a regional basis will help the agriculture sector of the region to develop more efficiently on the basis of the natural comparative advantages that exist for production, processing and marketing in different parts of the region. This activity will need to survey and attract agribusiness as partners in the market-oriented smallholder agriculture network similar to bringing FBOs into the network.

Regional NGOs that have an interest in and a commitment to smallholder agriculture development can also play a facilitating role, helping to organize FBOs and to advocate for improved policies and services. They should also be able to help alleviate the mistrust that FBO leaders often initially have toward the private sector when they have only dealt with them in direct competitive negotiations. The NGOs invited into this network will need to be recruited based on their understanding and commitment to the development of open competitive markets.

Linking the three group described above across the region should rapidly catalyze the development of improved market links, access to and adoption of technology and the initiation of a transformation of smallholder agriculture from subsistence to a growth sector of the economy.

The development of this network will require the development of a communication strategy that is based on and supports the needs of the members for information sharing and provides the connections that can quickly evolve from exchanges of ideas to negotiating business deals that help both sides. The implementation of such a communication strategy will require initial funding to develop the network and for initial operating costs. But, if the network is any good, the participants should have no problem in recognizing its value and, over 3 to 4 years maximum, raising sufficient local funds to maintain it.

One of the critical components of a Network and of open competitive markets is information. Who is producing what? Who is buying? What standards are required for trade? What are the prices? Where to get inputs? etc. At the present time, there is a great deal of confusion on the availability and reliability of data. Some SACCAR reports use FAO data in their analysis as the best they were able to find for their needs but then qualify the analysis by saying that informed experts in the area say the basis data may be off by 50 percent.

Grain millers go to SMIP for data because they can't get it anywhere else but supplying production data is not a recognized function of SMIP/ICRISAT and will dry up as soon as external funds are expended. FEWS is reported to have one of the best agriculture and nutrition data basis in the region but it is not clear that this info, collected at considerable cost, is impacting the development of the AG sector the way it could. This activity will look into the various sources of data in the region, its reliability and FBOs and industry's need for information. It will set up a system linking those who will collect and those who need information and help them decide how their system will be maintained, and how it can be made available to all who might use it to increase their incomes and accelerate the growth of market oriented smallholder agriculture.

Much of the smallholder agriculture development to date has focussed on increasing output so specific crops. A market-oriented demand-driven network should be able to easily look beyond this and help in identifying new crops that could be incorporated into the various agro/ecological production systems. Of particular interest would be high value crops that can be supported by the private sector where the network provides the necessary technology and market linkages. For example, new plantain varieties that have 4 times the yield potential of currently cultivated varieties are available from the private sector in South Africa. If the network effectively linked farmers in Mozambique and Zambia with the technology and markets, USAID's entire SO3 investment might be covered by the impact of one such product in the market.

The proposed activity would create a private sector led and directed network to link FBOs and support their further development where regionally justified and requiring catalytic support. It would support and draw agribusiness organizations into a network with FBOs for their mutual benefit. It would bring in NGOs and government based on the private sector's need for and ability to utilize their support. The network would use a communication strategy designed to meet participants' needs for information and the development of market links in a cost effective manner.

The network would support the identification of new crops, new production technologies, improvement in the policy environment and cross border trade in agricultural products and services. The network would help to identify and need for and sources of agriculture credit that could be made available to and through FBOs and/or agribusiness.

This activity would further support the identification of the types of information needed for the sector and potential sources. The development of cooperation among key institutions who can be expected to collect the data and make it available to the private sector will be an important contribution of this program.

C. Resources:

This activity will require a core team of 5 professionals¹ with experience working in the development of market-oriented smallholder agriculture. They should have first hand experience implementing such programs in various

¹

This team will overlap with and includes the 3 professionals for the proposed "Strengthening Private Sector Rural Development Support System-Agriculture Technology Transfer."

regions of the world and should be able to bring this experience to bear in the development of the proposed private sector Ag network. They should also be able to help link their southern African colleagues with others who have and are continuing to strive to achieve long term agriculture development. They will include: 1) an FBO/Cooperatives specialist to identify and support the developing of links among FBOs and with agribusiness, 2)an agriculture marketing person to work with agribusiness organizations, helping them to develop regionally and to link with FBOs. 3)A coop/agribusiness specialist who can work with FBOs helping them to evolve from being conduits of services to being business organizations owned and operated by their members, 4)a communication/networking/training specialist to help develop and implement the communications strategy, 5)a agriculture development specialist to i)help identify and support the regional champions for such a development approach and ii)build linkages with other SO3 networks.

This team will require money to support selected training activities as well as a more flexible fund to support cost of setting up links where the interest are clear but neither side in potential partnerships is in a position to cover the initial costs of setting up a business deal. Such a fund could also be used to pay the initial cost of experimental technology transfer costs between private sector partners, e.g., the purchase of disease free/resistant planting material so that members of an FBO can test it in their production system. The estimated total costs for such a program for 4 years is \$ 8,500,000

ENDNOTE 1. Although the ADS does not require a management contract at the SO team level, USAID/RCSA Senior Management and the SO3 team deem that a management contract is appropriate to clarify respective responsibilities and authorities to realize performance targets for indicators that measure achievement of intermediate results and the SO3 objective. ADS Section 201.5.12 provides guidance for the purpose and content of management contracts. See ADS Chapters 201,202, 203 and 303 for policy and guidance relevant to strategic objective teams, their operation and responsibilities.

ENDNOTE 2. ADS Section 203.3.8 specifies SO team responsibilities to include:

- a) establishing its internal operating rules and procedures (consistent with its delegated authorities);
- b) involving customers and partners in collecting, reviewing and interpreting performance information, and assuring that agreed-to customer needs are addressed through activities being implemented;
- c) grouping as appropriate, results and associated activities from the SO's results framework into results packages (and regrouping as necessary);
- d) allocating resources associated with achieving the objective;
- e) developing and implementing (within sub-teams if appropriate) necessary and effective activities, contracts, grants and other agreements;
- f) monitoring, analyzing and reporting on performance against established performance criteria, and taking corrective action as necessary; using evaluative activities to determine why assistance is or is not achieving intended results;
- h) recommending to the operating unit [RCSA] any changes to an objective or strategic plan;
- i) preparing appropriate close-out reports, including resources expended, accomplishments achieved and lessons learned;
- j) with respect to the strategic objective team leader, organizing, coordinating, coaching and inspiring the team to achieve the set of results leading to the strategic objective;
- k) with respect to each strategic team member, advancing a common team effort to achieve the strategic objective assigned to the team, and implementing his or her specific responsibilities and authorities on that team.

Other important ADS specifications relevant to SO/RP team responsibilities are as follows: An activity manager is a member of an SO/RP team designated by that team to manage a given activity or set of activities contributing to the results to be achieved under the results package (ADS Chapters 201, 202, 203, 303, 591, 592).

ADS Para. 303.3.3b.2: an Activity Manager is responsible for:

- 1. Participating in determining the type of instrument to be used and in selecting the recipient.
- 2. Negotiating with the potential recipient the expected level of cost-sharing.
- 3. Processing all necessary internal USAID authorization papers.
- 4. Assisting the Agreement Officer in determining the potential recipient's level of technical and managerial competence.
- 5. Maintaining contact and liaison with the recipient, including receipt, review and analysis of at least annual substantive reports on operations and accomplishments. Makes site visits as frequently as practicable.
- 6. Evaluating the recipients program effectiveness.

Endnote 3. Other ADS provisions specify additional responsibilities for SO teams:

- 1. Procurement Responsibility: ADS Paragraph 301.3.1.The Strategic Objective team is responsible for ensuring that activities are designed to assign responsibility for procurement where it will best serve the objective.
- 2. Monitoring: ADS 203.5.5cSO teams and/or activity managers shall regularly collect data on inputs, outputs and processes to ensure that activities are proceeding as expected and are contributing to relevant intermediate results, strategic objectives and strategic support objectives as anticipated. Activity level data shall be collected at intervals consistent with the management needs of the SO team and/or activity manager.

[additional pertinent ADS guidance to be included or referenced as deemed appropriate by RCSA]

Although the ADS does not expressly describe SO team authorities that correspond to the express designation of responsibilities, the parties agree that authority should be delegated in concordance with responsibilities assigned by ADS Guidance and/or by this contract.